

by B. A. YOUNG

Norma Heilbron and Bill Nighy in
a Traverse Theatre Production in
Edinburgh of Olwen Wymark's new
play "Speak Now"



the latest hurly-burly of activity in David Halliwell's Multiviewpoint drama group is this doublet, consisting of *The Window at the Roof of the Sky*, by Philip Martin, and *Blind on the Table*, David Mercer. Multiviewpoint man is seeing one thing from my angle, though what we see is often in dispute, or at least uncertain at best, from my viewing.

All I can judge from the more id parts of Philip Martin's *y* is that the theory doesn't p him one bit: this preposited lucidity is a virtue; in *ly*, Mr. Martin's non-erdicted, non-erdicted theater, with only one breast—we i this out, in the last few nutes of the play—arrives to pombaye of her father. She e likes him (if she does) and ees in her something quite e, affecting her her ther, a woman whom she ead a casual affair, or raped. e's a foul-mouthed Scotsman n her action, who calls the her everything under the sun. e mood is one of disgust, t her my snatches of e romantic music and a cad e monuments of a tenderness n the n. Deliberately mystifying,

it did little to conceal the poverty of experience behind it.

There's nothing very multiple about the points of view expressed in David Mercer's play: the author-mouthpiece hero, common to Mercer's work, this time is sitting in a restaurant with his mistress, hemoating his inability to tolerate her. He's not her's man of "compulsive creation—but no juice." His mistress listens attentively, but a member of the silent majority at the other table (who reads *Sex and Repression in a Savage Society*) tries to stop what he hears. The author-mouthpiece hero is away, and in usual fashion, leaps from sex to the fact that he is a member of the radical left, as well as middle-aged and confused. The dialogue is very funny and though the needs to stop the top of the head to see, as the play is brief. Barry Lineham strikes a rich comic vein as the non-ejaculator. and Garfield Morgan does his best with the sitting establishment, tie Mr. Mercer tends to tie the ensemble hands behind their back before unleashing his comic abuse on them.

GARRY O'CONNOR

As is Proper

GARRY O'CONNOR

Double Bill

It did little to conceal the poverty of experience behind it. There's nothing very multiple about the points of view expressed in David Mercer's play: the author-mouthpiece hero, common to Mercer's work, this time is sitting in a restaurant with his mistress, bemoaning his inability to ejaculate. As he says, he's a man of "compulsive erection—but no juice." His mistress listens attentively, but a member of the silent majority at the other table (who reads *Sex and Repression in a Savage Society*) tries to stop what he calls the verbal scum. Finding too much target for abuse, the hero is away, and in usual fashion, leaps from sex to the fact that he is a member of the radical left, as well as middle-aged and confused. The dialogue is very funny, and though the hero doesn't develop, the play needs to, as the play is rich. Barry Lineham strikes a brief comic vein as the non-ejaculator. And Garfield Morgan does his best with the sitting establishment target. Mr. Mercer tends to tie his enemies' hands behind their back before unloading his comic abuse on them.

Proper

of their marriage, strips off her apron, pulls on her black silk stockings, and departs to another man, the one belonging to Molly Pride, the object of the hurtful antipathies.

For a lunch-time play, the absence of violence or putrefaction is remarkable; it is written in a tuneful dialogue, with words and images which give Miss Allen and Mr. Phillips plenty of ammunition for picturesque vilification; Mr. Mallin also does a good job of condemnation: he manages, in a short space of time, to reflect quite a number of varying attitudes, without coming out too heavily on one side or the other. It is nothing to grow ecstatic over, but something to see; both performances, and the production, Frederick Proud, are first-rate.

GARRY O'CONNOR



Jeannette Sinclair and handmaidens in Handel's "Susanna" at Sadler's Wells Theatre

And now for something...

Monty Python's Flying Circus has provided the pop world with the comedic voice it has needed. In America there is, of course, Frank Zappa and the Mothers, but as much as they have been accepted here their humour is American oriented. It has taken the combined, the none pop talents, of John Cleese, Graham Chapman, Eric Idle, Terry Jones and the Flying Spinnakers to provide the young with humour that the Goons expressed in another age.

And it is pointed out that it has been an independent pop music label Charisma, in bringing the Python team to their mass market. The BBC did in fact bring out an album Monty Python's Flying Circus (BBC Records REF 73M) with the famous Parrot sketch and other early Python gems but now on another Monty Python Record comes what should become the biggest selling Christmas album for some time. It includes a blend of old and new, the famous Grantha Brothers sketch is there, the young Mad Maxie and others from the East End of London where they are born losers; then there are the infamous Gombys, especially popular among university students, and their interpretation of The Cherry Orchard. There is also a radio version of

Dimension, which was performed at the London Coliseum, which introduces a new aspect into censorship.

The orchestra has a real relevance on this double album, which is more than can be said for past efforts of combining pop groups with the classics: remember The Soft Machine at the Albert? Ugh. Zappa has the same problem of combining his musical approach. The reason is that his music always advances, rather than follows where it thinks it ought to go: I was always suspicious of Deep Purple during their orchestral period on this count. Now comes their organist Jon Lord's Gemini Suite, conducted by Malcolm Arnold with the London Symphony Orchestra (Purple/TPSA 7501) in which he does not make use of the group as such and the album is not all that good. It is still not all that keen on orchestras with pop groups, but certainly Zappa's 200 Motels and Lord's Gemini Suite make more than just casual listening.

From orchestral sounds to attempts to recapture the big band era. There are those who ask if the big bands will ever return, to which I reply why should they? Pop is gradually producing its own style of big bands.

The Death of Mary Queen of Scots in much the same vein of the black humour of demolition. My favourite is the short burst of mock radio of featuring St. John Polcvaulter "Who for the past years has been contradicting himself." In that they are probably shunned by our elders Monty Python have probably filled the function of gonps like The Beatles and The Rolling Stones in the past. Certainly the CBS movie-makers seem to have realised what they unearthed.

As for Frank Zappa the score of most of his first movie 200 Motels has been brought out by United Artists (UAS 9586) starring to Jack.

Book Reviews appear on Page 34.

Roy Young, CCS. and my favourite Taj Mahal. The Real Thing (CBS.66286) one of the last decade albums to be recorded at Bill Graham's Fillmore East in New York, real deep brassy sounds here from tubas and all nged on and blended with funky guitars, herps, bacio's etcetera. Taj Mahal himself is heast with the blues, Fishin' Blues and Diving Duck Blues on this particular album, a genuine one together with a genuineness the bigger English hands seem to lack.

And if you're interested in the influence of the blues in pop then you could never leave out The Butterfield Blues Band, that group which has influenced so much of latterday pop music. Sometimes I Just Feel Like Samblin' (Elektra K20795) is their latest here.

Their music spumes like waves on hot summer rocks. It's what you might call sure-fire without being accused of bad taste.

But for sheer beauty, and there are many splendid albums on sale during this period, Judy Collins' Both Sides Now takes

Sadler's Wells Theatre

Ottone by RONALD C

Ottone, with *Rinaldo* and *Giulio Cesare*, was one of Handel's great successes, graced by Cuzzoni, making her London debut as Theophano, by Anastasia Robinson as Metilde, by Senesino in the title-role. There were numerous revivals. Barry praised the opera for its melodic wealth. It was given in Germany, then silence descended until it was revived, again in Germany, during the Handel revival in the 1920s. Until the Handel Opera Society produced it on Tuesday as the first of the two works in their short season at Sadler's Wells, *Ottone* had not been heard in London for more than two hundred years.

ehly, comes right in the end. There is no need to take the text with undue solemnity, but the situations which the librettist Haym took from his original *Trifone*, a libretto by Pallavicini set by Lotti) enabled Handel to pour out splendid tunes in profusion and to portray the feelings of his characters with his usual strong, sure hand. That being so, it is a pity that there was some harmless, not unfriendly, but rather idiotic laughter by adult English over-agers who still cannot hear a colloquial phrase sung in English without uttering.

Even those who find opera a little stale and who find the mystery must admit that *Ottone*, even with some arias omitted

The plot deals with historical characters—Otto, son of the Emperor Otto the Great, his destroyed Theopbaena, daughter of the Emperor Romanus of the Eastern empire, her brother Adalbert, disguised as a knight (a knight), the scheming figure of Gismonda, the niece of the usurping Berengar, Emperor son, Adalbert. An intrigue of love, deceit, and mistaken identity (Adalbert passes himself off as Otto in order to win Theophaena) is played out in 10th century Rome. Though I would attempt to summarise the plot in a hurry, the original English libretto makes the action clear: the theatre, balances colloquial English neatly against more formal phrases that could well come from a good 18th century libretto, and shows his usual superb skills in getting singers to sing right vowels in the right place.

This is not a tragic opera but a heroic, romantic tale where everything, probably or improb-

some beating. We've been incredibly lucky lately with Judy Mitchell's Blue album and Carole King's Tapestry. Truthfully I can say Judy Collins is better than both. Of course she wrote Amazing Grace, that anthem of the pop festival era (I keep thinking of the guy called Amazing Grace because of the narrowness of her hips). Both Sides Now has been issued here before and incredibly disappeared without trace. This, therefore, is a re-issue (K42083). Miss Collins writes lyrical songs and sings them firmly, there's no doubt about it. My Favourite Things Are Since You Asked and Both Sides Now. For people who just like pure tuneful music this must be the record of the year.

And for people who like their sounds more raucous comes Lindisfarne's second album *Fog On The Tyne* (Charisma, CAS 1068). A Georgie group significant in becoming the first British band to produce a John Peel-produced most of Bob Dylan's *Simon and Garfunkel's* and *Leonard Cohen's* successful albums. He has certainly managed to bring out the group's grittiness, that was not totally captured on their first album. Folk-based Lindisfarne have a musical honesty lacking in many Southern groups. How long they can retain this now they have moved to London will be interesting. All right, most of the Corner must Meet Me On The Corner could become a hit for them.

Curved Air have brought out a second album which is much better than their first, Curved Air Second Album (K 40692). I think the engineering and production of Colin Caldwell is more than significant this time, and should be mentioned. They are a group that explode on the stage but I imagine are difficult to recapture in the studio with the dependence on the pyrotechnics of violinist Danny and the felloe appeal of their singers Sonje Kristina. For faithful fans I report that Back Street Luv has been accurately reproduced.

Chris Speeding is one of our leading young guitarists. He appears on most sessions with the Jack Bruce Trio, and his music tells you to listen to a record you should. Unusually, he told me to get hold of Gladys Knight and The Pips. (Tsmia Motown. STML-187). When I would have said "I might be liked singing more complicated." "Just listen to the way they put down the

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worth and womanliness. The character is indomitable. Handel gave her lovely music, and Miss Kern did it justice. Metilda's nocturnal duet with Simmonds in the garden scene would be a show-stopper if it did not end in fact, bring the act to a close.

[Tonight 7.30. Oct. 28. 50 seats.]
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Sally Le Sage, in Cuzzoni's part of Theophane, was not on that level. She was sensitive, often expressive in recitative, but the voice was still cold for her first aria "Falsa Imagioe" (or *For Lying Imagery*) and her tone never quite cleared. And Anthony Raffell was the first soprano, singing the first aria—semisustained, the great pitiful Robert Lefevre, the alto bravely assuaging the difficult part of Adalbert (all the roles were given at the correct pitch) had some difficulty in reconciling the character's adventurous intentions with his type of voice, but she managed some difficult divas well.

Charles Farncombe conducted the English Chamber Orchestra. His quick rhythms were fresh and lively; slow ones sometimes seemed to have a shimmering, shimmering quality. The music was not always faultless. Douglas Farg's production solved the kind of problems posed by this kind of opera, with long arias and characters standing about, unoccupied, with great tact. The brilliant Emery had designed a central platform with four corners which worked fairly well—some of his projections were helpful, others indistinct. Robert Aldwinckle's continuo baroqueism gave much of the music a shimmering, shimmering quality. The music did not mind stopped some of the unnecessary laughter. Further performances to night and tomorrow.

by CLEMENT CRISP

The second Herbert Ross ballet to enter the Royal Ballet's touring repertory, after last week's *Coprichos*, is *The Moths*, first staged in America in 1957 and given its British premiere on Tuesday. Let it be said straight away that this is an acquisition to be proud of: Ross's pungent theatrical qualities, as yet only half-realised by the *Coprichos* cast, are here magnificently displayed in both ballet and performances. *The Moths* is thrilling theatre, and thrilling dance; Ross has based his work upon Jean Genet's play *Les Bonnes*, and he has captured the crucial element of ambiguity which is the matter of the Genet original in his choreography.

The play treats of the roles people assume: two maids take it in turn to impersonate their mistress; they plot the imprisonment of her best friend, who is to murder her with poisoned tea, and when this mistress carries their impersonation to its logical conclusion so that one of the maids continues to impersonate the mistress and drinks the tea which is administered by the second, who has taken on the character of the first. Ross's play is highly presented as being largely the vicious emotional fighting of the relationship between the two maids is played out on an ambiguous terrain in which the audience is changed through a constant shift in the rules of this macabre game. It is to Ross's great credit that he has managed to suggest this complex, compelling and dancing of remarkable power and a dark, frenzied beauty: the final scene, in which one of the

Lorin Maazel

Under their new chorus master, Walter Hager-Groll, the Philharmonie Chorus have lost none of their almost legendary prowess. They still sing quieter, more flexibly, and with greater homogeneity of tone and attack than any large chorus in the world. Their qualities were plainly in evidence in their Brahms Requiem under Mezzel on Tuesday. And yet this was all in all a wretched performance, one which never began to penetrate to the reflective level of this work. It is to observe the simple realities of balance and structure in romantic church music.

The fault, clearly, was Mezzel's

The other work was Mozart's great G minor Symphony. By no standards was the performance a very good one, though at least it lacked obtrusive errors of style or taste.

STEPHEN WALSH

[illegible]

American
NewsTen held in
Trinidad
emergency

by Our Own Correspondent

PORT OF SPAIN, Oct. 20. PEOPLE have been taken under emergency powers assumed by the Trinidad Government. One of them is the leader of last year's "Black Power" uprising, George Granger, and another the president of the largest union in the Caribbean, George Beckles of the oilfield workers. They were picked up by police yesterday after the Governor, Sir Solomon Hochoy, signed the emergency declaration on the advice of the island and Tobago Cabinet. The cabinet had before it the views of a National Security Council. The general public did not know of the emergency, which lasted for only one month, until being extended by Parliament until Prime Minister Eric Williams announced it on television and radio broadcast last night.

The present state of emergency is the second to be declared in this country within months. There was a state of emergency for seven months last year from April to November following several weeks of racial demonstrations, arson and social unrest.

Dr. Williams said the current emergency has been declared because of a serious threat to order, economic stability and the peace of mind and security of job tenure of the "citizen" as exemplified by recent industrial tensions, racial abuse, violence, strikes, slow-downs and union jurisdictional disputes.

The unrest culminated last week when workers on a \$32m sulphurisation plant construction site in the oilfield assaulted an American manager and killed his office.

Disenchantment
with mutual
funds continues

by Jurek Martin

NEW YORK, Oct. 20. FOR THE FOURTH time in the last five months, U.S. investors have cashed in considerable more mutual fund shares than they bought. The gap between redemptions and new sales was, in fact, the largest on record in September.

These statistics, issued by the Investment Company Institute, covering about 90 per cent of all U.S. mutual funds (unit trusts), are significant because they are generally considered a reliable yardstick of the degree of investor interest in the equity market. The results of the last three months point clearly to a marked level of disenchantment in September, redemptions of mutual fund shares amounted to \$9.9m, while new sales only came to \$304.5m. The \$166.4m margin is the largest since the fund industry began tabulating the figures and the value of new sales is the lowest since May 1969, when the stock market was in the depths of the bear market.

Since May, sales of mutual funds have exceeded redemptions only once—in August, so then there was a brief "rebound" in the wake of Nixon's economic moves.

Mexican move
to expand

by Our Own Correspondent

MEXICO CITY, Oct. 20. MEXICAN Finance Minister Sr. Margarín has said that the government is now over and that government expenditure will rise by 20 per cent in 1972.

Mr. Margarín also announced a 25 per cent devaluation of the Mexican peso against the dollar. The devaluation was announced because of the continuing fall in world silver prices. Mexico is one of the largest exporters of silver in the world. Government spending, which fell by about 10 per cent a year, will next year include massive low-cost housing projects in Mexico City.

Kennedy call to unite Ireland

WASHINGTON, Oct. 20.

Senator Edward Kennedy called to Abraham Ribicoff called for an immediate withdrawal of British troops from Northern Ireland and establishment of a united Ireland. Senator Kennedy's announcement said a similar resolution was being introduced in the House of Representatives by Mr. Hugh Roy, a Democrat for New York.

"We believe that the resolution states the only realistic way to end the killing in Northern Ireland, and to bring peace to a land that has given much to America," Kennedy said. "We believe that the resolution states the only realistic way to end the killing in Northern Ireland, and to bring peace to a land that has given much to America."

The time has come for the removal of every faith and political persuasion to speak out," he said. "We owe ourselves and our sacred heritage no less."

He warned that "without a firm commitment to troop withdrawal and unification, there can be no peace in Northern Ireland. The killing will go on, and the inevitable mounting violence will continue."

He said Northern Ireland "is becoming Britain's Vietnam. Indeed it is fair to say that Britain stands toward people in Northern Ireland to-day where America stood in South-East Asia in the early 1960s."

Nixon seeks more powers
on international air fares

BY GUY DE JONQUIERES

WASHINGTON, Oct. 20.

THE NIXON Administration is seeking an enlargement of Government authority to regulate international air fares, but it is divided over how far any new authority should extend.

The most outspoken advocate of an enlarged Government role is Mr. George Brown, chairman of the Civil Aeronautics Board, who urged Congress yesterday to give his agency the power to unilaterally determine international fares.

A much more cautious position is being taken by the State Department, however. Mr. Bert Rein, Deputy Assistant Secretary of State, opposed Mr. Brown's proposal on the grounds that other Governments would resist fares "dictated" by the U.S. Mr. Rein said the favoured U.S. airlines would be able to only so as to permit it to restrain air lines from trying to damage competitors by charging rates that were either excessively high or excessively low.

The responsibility for setting fares should lie with the airlines in the first instance, he indicated, adding: "Every international route involves another sovereign nation and it is unrealistic to believe that unilateral U.S. regulation of rates will be accepted without question."

Both men were testifying before the Senate aviation subcommittee on legislation to increase the CAB's authority. At present, the legislation would give the CAB new powers similar to those being sought by Mr. Brown. The State Department would like to see the Bill's scope narrowed down.

Mr. Rein stressed the need for stronger CAB powers. Under the present law, the CAB's authority is circumscribed by the fact that it can overrule an LATA agreement but cannot act effectively against international fares filed individually by airlines, even if they are identical.

Mr. Brown said that this discouraged the CAB from rejecting LATA agreements (some of which he believed had been bad) and limited the influence of the U.S. airlines in LATA.

Mr. Brown said that if the CAB were granted fare-setting powers, it could compel foreign airlines to fall in. But Mr. Rein said that under bilateral air travel treaties fare disputes must ultimately be settled by Government negotiations and that unilateral fare decisions by the U.S. would not be binding.

The pressure on a foreign government, faced with a board set free, not to give in to U.S. dictation would be very great, he added.

Although there are now signs that the battle may shortly be resolved, both Mr. Brown and

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The pressure on a foreign government, faced with a board set free, not to give in to U.S. dictation would be very great, he added.

Although there are now signs that the battle may shortly be resolved, both Mr. Brown and

Mr. Rein stressed the need for stronger CAB powers. Under the present law, the CAB's authority is circumscribed by the fact that it can overrule an LATA agreement but cannot act effectively against international fares filed individually by airlines, even if they are identical.

Mr. Brown said that this discouraged the CAB from rejecting LATA agreements (some of which he believed had been bad) and limited the influence of the U.S. airlines in LATA.

THE CARIBBEAN

Montserrat looks to the land

BY TONY COLIER IN BRIDGETOWN

WHEN the Chief Minister of Montserrat, Mr. Austin Bramble, visits Britain for one week next month, it will be his first opportunity to list for the Foreign and Commonwealth Office, at first hand, the problems and needs of his tiny Caribbean island.

Mr. Bramble came to power last December in unusual circumstances, ousting his father, Mr. William Bramble, from a position he held for 12 years with virtually no opposition. The junior Mr. Bramble had been a member of his father's cabinet but resigned to form the Progressive Democratic Party because, he claimed, he had become dissatisfied with the quality of leadership.

The fact that the present government won all seven elected seats in the 11-member legislature was a major surprise throughout the Caribbean. Montserrat's politics had always been synonymous with Willie Bramble who seemed the most unshakable leader in the area. There could have been little doubt after the results, however, that most Montserratians felt it was time for a change.

There are those who contend that a Bramble is a Bramble and that there will be little change. Certainly, the new Chief Minister has done nothing spectacular to indicate that he intends to put Montserrat on a completely new course.

The distinction between his father's policies and his own is likely to be one of emphasis more concerned now with the state of the island's agriculture than anything else. On either issue, he shares many of his father's views. He believes, for instance, the present constitutional status is the best available.

Montserrat remains the odd-man out among the Windward and Leeward Islands in that it is still a Crown colony. It was offered, along with the others, Associated Statehood in 1966 but the senior Mr. Bramble turned it down, maintaining that without reason, that Montserrat would be better off economically under the wing of the British Government.

In a recent interview, Mr.

Austin Bramble said there was unlikely to be any change in the constitutional status in the foreseeable future. He was not interested in change for its own sake and would only consider something different "if I believed it would benefit Montserrat."

There are, of course, logical reasons for Montserrat's position, even at a time when colonialism is a dirty word throughout the Caribbean. Quite apart from providing roughly 25 per cent of the annual budget (a portfolio worth just over East Caribbean \$1m—£210,000—this year) and a sizeable sum of development aid besides, the direct link with Britain gives the island an air of stability which is attractive to investors.

Actively encouraged by the senior Mr. Bramble, these investors have bought approximately 2,000 acres for real estate development over the past six years, dividing it into lots to satisfy Montserrat's own, unique type of tourist—those who have retired and want to spend the rest of their days on a tranquil 32 square mile tropical island with a population less than that of a small American town.

It is debatable whether this particular type of tourism would have materialised had Montserrat changed its status. The Government, certainly, has no qualms about housing of its decision to remain a colony whenever advertising for investment in the overseas Press.

This policy towards tourism has not met with favour from everyone. Its critics claim that too much of the land is being sold to foreigners who contribute only little to the economy since income-tax rates are so low (20 per cent is the maximum). Some advocate tourism along the lines pursued in most of the other islands—the luxury hotels, the apartments, the condominiums—for much faster economic return.

At the moment, Montserrat has only 80 rooms at four small hotels. While it may be true that tourism has not made the same dramatic impact on Montserrat as it has, say, on Barbados, Antigua or St. Lucia, it has not been as socially disruptive either. Even if nothing else, it has given an impetus to the building trade. On the whole, it

would seem that Montserratians are happy with what they have got and the new Government has no plans for altering the status quo.

This is not to say that hotel development will be discouraged (there are, in fact, plans for a 200-unit condominium complex) but the Montserrat Government will not be seeking the Hiltons, the Holiday Inns and the Falcyns which have moved into the other islands. While not particularly concerned with either its constitutional status or tourist development, the Government has not hidden its worry over agriculture.

As it is in most of the West Indian territories, agriculture is struggling to survive as a meaningful contributor to the economy. In Montserrat's case it is a sad paradox, for the soil is rich and the climate ideal for the cultivation of almost any tropical crop. Sea island cotton once thrived and Montserrat's tomatoes are renowned for their quality. Bananas, breadfruit, vegetables, limes are other commodities which grow with little trouble. Why, then, has such a situation developed?

The reasons are many. The general Caribbean-wide stigma attached to working on the land has affected Montserrat as seriously as did the large-scale immigration to Britain in the early 1960s. The rapid decline of sea island cotton and the fact that developers were willing to buy land at rewarding prices have not erased the average farmer's doubts about the future of agriculture.

An attempt three years ago by a Canadian concern to grow tomatoes for export on a huge scale held out high promise and brought quick response from those (not only farmers) eager to cash in on the deal. When the scheme fell through, several people were left with their fingers burned and agriculture suffered another black mark against its name.

There is clear evidence that the former Government paid too little attention to agriculture. Credit facilities for farmers were available only from commercial banks, marketing lacked organisation, there was no proper system of land tenure, and some

of the best agricultural lands were sold off to developers. A recent statement from Government has outlined the new plans for agriculture.

The cornerstone is the development of a land settlement programme managed on behalf of Government by a land settlement authority. This authority will be a statutory body which will operate commercially with the aim of making profits from the development of land for non-agricultural purposes. These profits will then be ploughed back into agriculture.

Another statutory organisation, the Development Finance and Marketing Corporation, is being established with technical and financial assistance from the Caribbean Development Bank. This will provide credit facilities hopefully on easier terms than were available previously and will also be responsible for the marketing (including processing and packaging) of products both in the island and outside.

The Agricultural Department will be left with the sizeable task of getting the people interested in agriculture once more and convincing them that it can be a profitable undertaking.

Know-how

The Government's thoughts have so far only reached the paper stage. They have yet to be transformed into action and immediate capital and technical know-how will be necessary to get the various schemes off the ground. Both are particularly lacking in an island of only 15,000 people.

There is also the need for infrastructural improvements if the Caribbean market is to be properly tapped. Plymouth, the capital, will have to provide landing facilities for vessels larger than the small inter-island schooners (an application has already been made to the Caribbean Development Bank for funds to improve the pier) and there will have to be adequate storage, processing and packing facilities.

All these things will undoubtedly be foremost in Mr. Bramble's mind when he visits London in November.

The great productivity trap

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profits could be disastrous. Sacking them when things return to normal means hardship and bad morale. You're trapped. The answer is, **give the extra work to Manpower.** We can cope with the peak work load, whatever it is. Our employees, whether one or a team, will do the work for you just as long as the problem is there. It doesn't

matter how large or small it may be. Our specialist skills can deal with it. **We could save you more than it costs.** There is a Manpower centre near you. Contact them today or telephone 01-229 1400. They'll show you how smoothly Manpower can help you avoid a productivity trap.

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Export
News

IN BRIEF

Third World
loans yield
£14m. orders

BRITISH companies received £14m. worth of orders from developing countries during August and September as the result of loans made by the Overseas Development Administration. Main orders came from Indonesia, Singapore, Turkey, India, Mauritius and the Gambia.

Ashmore, Benson, Pease and Co., of Stockton, Teesside (a Davy-Ashmore company) has just concluded an agreement with Swindell-Dressler Company of Pittsburgh, U.S. (a division of Pullman Incorporated), under which Swindell-Dressler will make available to Ashmore's technical data, designs and know-how relating to ultra high power electric arc steelmaking furnaces. Under the agreement Ashmore will be able to market arc furnaces of this type in the U.K. and many other countries.

The electric arc furnace is claimed to be the cheapest and fastest way of making and melting straight carbon steels and by 1982 it is estimated that the world production of steel made in electric arc furnaces—now about 80m. tons a year—will double.

The Swindell-Dressler design offers the flexibility of being able to melt pre-reduced iron pellets as well as steel and steel scrap, thus shortening the iron-to-steel process route and helping to reduce total initial plant investment.

Racal Antennas, of Bracknell, Berks., has been granted exclusive marketing rights outside Britain for the range of antennae made by the Panorama Radio Company, London. Racal will also act as an agent in the U.K.

An order worth nearly £250,000 has been won by the radio communications division of Rediffon Telecommunications (a member company of the Rediffon organisation) for the supply of radio communications equipment to 19 airports in Nigeria, including the international airports at Ikeja (Lagos) and Kano.

The equipment is to be supplied as part of Nigeria's NEI3m. four-year development plan for the expansion of its airports and the modernisation of its runways and landing equipment so as to allow the use of more advanced aircraft in Nigeria's air services.

THE FAR EAST—JAPAN

U.K. steps up promotions
as store sales boom

BY CHARLES SMITH, FAR EAST CORRESPONDENT

ALTHOUGH the winding up of the British National Export Council has resulted in a sharp drop in the number of U.K. trade missions visiting Japan this year, 1971 looks like being a bumper year for the promotion of British consumer goods in Japanese department stores.

No fewer than 44 store promotions are due to be held between now and the end of the year, including the elaborate "World of Henry VIII" exhibition which opened last week in Mitsukoshi, one of the largest Tokyo stores.

The promotions will include appearances by the pipe band of the Irish guards in over 20 branches of the Isetan store group throughout Japan. There will also be an exhibition of "historic British dolls" in Daimaru, the biggest store in Osaka, and demonstrations by Wedgwood potters in the Daimaru and Mitsukoshi chains of stores.

The "World of Henry VIII" which was opened last week by Prince Hitachi, the younger son of Emperor Hirohito, is basically an exhibition of 16th century objet d'arts (the exhibits, all of them brought from the U.K., are estimated to be worth around £1.5m.).

However, Mitsukoshi has used the occasion to stock up with about £750,000 worth of British consumer goods in addition to its normal range. There is a mock Fortnum and Masons on the ground floor of the store, while one of the upper floors has been turned over entirely to "stallholders" specialising in individual products.

Government grant
The entire exhibition is due to be transferred later to the Mitsukoshi branches in Nagoya, Osaka and Sapporo, in each case with additional special purchases of British consumer goods.

The reason for the store promotion flurry of activity is partly that consumer sales generally are booming in Japan, and the department stores in Tokyo and other major cities handle a much larger portion of total sales than would be the case in most western countries.

Another fact is that U.K. Government grants to the stores mounting the displays have become more readily available than was expected to be the case early this year. The grants are relatively small, usually less than 5 per cent. of the total cost of a display such as the World of

Henry VIII. But they can still tip the balance for a company trying to choose between, say, an Italian or a British exhibit.

A further reason for the success of the whole operation seems to be the growing willingness of museum proprietors and private owners in Britain to allow their treasures to make the long journey to Japan.

Despite the flood of department store promotions British exports to Japan continue to show a very modest rise compared with the steep climb in Japanese exports to Britain. During the first seven months of the year Britain earned 8.8 per cent. more from the Japanese market than in the same period of 1970 while Japan pushed up its own export earnings by 54 per cent.

Part of the reason for the disparity appears to have been that the U.K. has been less active recently in promoting sales of industrial and scientific equipment in Japan than in the consumer sector.

However, there are signs that this omission may be made good. The U.K. will be represented at the Nagoya Air exhibition this autumn. Next February there will be an exhibition of British medical equipment at the Tokyo Science Museum to be accompanied by a medical symposium featuring six British and six Japanese lecturers.

A total of 10 British trade missions are scheduled to visit Japan in 1972 (some being carry-overs from 1971 when the winding-up of the BNEC forced postponements and cancellations).

On receipt of the completed order form, HMSO will send to the donor attractive greetings cards and envelopes for sending to his overseas customers and associates. On publication, "Britain 1972" will be sent direct by HMSO to each overseas customer on behalf of the sender together with a complimentary slip showing the sender's name.

The cost of "Britain 1972" including the gift card and overseas postage is £2.

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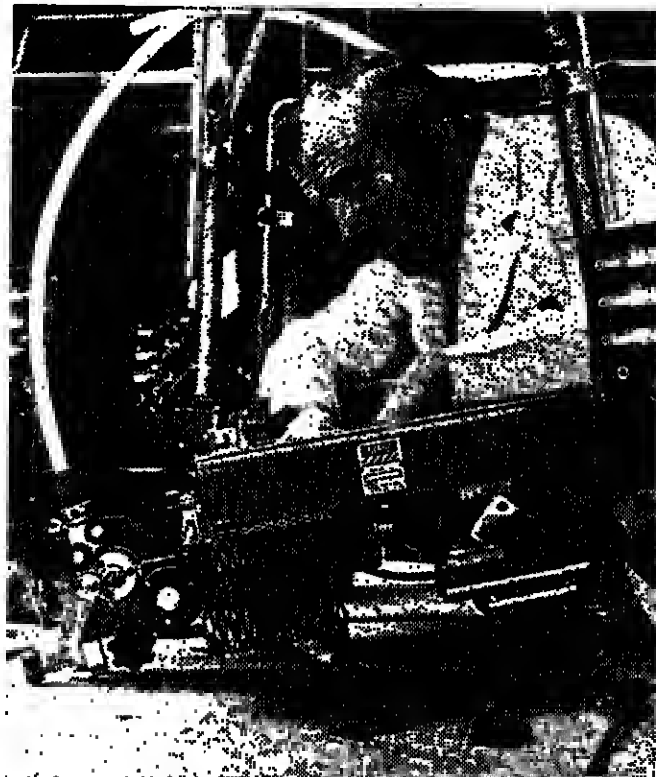
IN THE last six weeks export orders valued in total at just over £1.25m. for aircraft galley, serving trolleys and bar trolleys have been awarded to C. F. Taylor & Co. (Aircraft Workers), of Wokingham, claimed to be Europe's largest manufacturer of aircraft galley equipment and a member of the Aircraft Equipment Division of the Glasgow-based Weir Group.

The latest and largest of these orders is for aircraft galley equipment valued at just over £700,000 for 29 Boeing 737 aircraft being supplied to Iberia, Spain's national airline. Iberia have ordered 116 galleys, four to each aircraft, and delivery of the first complete aircraft set is scheduled for early next year.

Some of the equipment, such as bar trolleys, serving trolleys and meal boxes, will be manufactured in Spain at a C. F. Taylor factory at Torrejon de Ardoz, near Madrid.

The other recent contracts, amounting to £550,000 are from Malaysia Singapore Airlines, Malaysia Air Lines, Air Manila, Air Pacific, Sada, Pan International, South African Airways and Taron.

When these orders are complete Taylor will have supplied galley equipment for the entire range of Boeing passenger aircraft. In addition, the company has recently been appointed the approved galley manufacturer to the Fokker Aircraft Company of Amsterdam.



Final inspection of a mini-welding head at the Murex Positioning Equipment factory at Knowsley, near Liverpool. The company, part of the British Oxygen Company's welding products division, has recently moved to the Knowsley site, where it will be close to the Liverpool docks, through which most of its overseas sales are despatched. The MPE plant houses the design, production and marketing operations under one roof. The mini-welding heads are suitable for submerged arc, Fusarc and MIG welding processes. Some 50 per cent. of production is exported.

With lots
of love
from HMG

THE Department of Trade and Industry is again sponsoring its "Greetings and a Gift to follow" scheme. This scheme, which has proved increasingly popular since its introduction in 1967, enables companies and businessmen to send copies of "Britain 1972" to their overseas business friends and associates.

"Britain 1972", an official handbook prepared by the Central Office of Information and published by HMSO, is an annual on Britain, her economy and institutions.

The handbook—528 pages and illustrated with pictures, maps and diagrams—has built up a world-wide reputation as a source of reference.

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Pie in the sky

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DEALING WITH EASTERN EUROPE—1

Advertising—a vital way
of creating momentum

THE East European Trade Council's booklet entitled "Publicity in Eastern Europe" is to be published shortly. It is the first of its kind to give emphasis to advertising in this market. As such, it represents a departure from the former establishment view that advertising in Eastern Europe is of little value, certainly not as valuable as in the West.

The thesis has always been that in selling to a planned economy country, the British exporter is addressing himself to a handful of buyers, mainly in the Foreign Trade Enterprises and that the best way to reach these few decision makers, is through personal visits by export salesmen.

While personal contact must still remain the cornerstone of any export drive, publicity is now seen to be an essential tool, very much as in the West. For if the Foreign Trade Enterprises continue to be crucial for the most part, in the process of getting an order, other organisations are important too. In particular, factories and end users such as hospitals, universities and research establishments can contribute to a decision to buy.

To reach this broader spectrum of decision makers, personal visits do not suffice and the most sweeping approach afforded by advertising must clearly be effective.

In Hungary, for example, where decentralisation of authority is a basic tenet of the 1968 Economic Reforms, many manufacturing complexes have, in any event, the right to deal direct with the West. In Romania, the new Industrial Centrals are being given greater authority at the manufacturing level. In other countries as well, the trend is toward decentralisation, though in some countries like the Soviet Union, this may be slow.

Percolate

But even in the Soviet Union, where most of the decision-making power still lies with the Foreign Trade Enterprises, it is important to recognise that these can be influenced by end users. A factory manager's interest in Western equipment may manifest itself through an inquiry sent from Kiev to Moscow. And if enough end-users demonstrate such an interest, a momentum is created and the British exporter may then find himself being approached for more information by the Foreign Trade Enterprise in Moscow, though without necessarily being informed about the origin of the inquiry.

The main difference between East and West is the time it

In the first of two articles Peter Zentner looks at the new marketing tools available for exporters who wish to take advantage of the move away from central planning in Eastern Europe.

takes inquiries to percolate through. It may take months, sometimes even years longer in the Soviet Union before the end-user's inquiry finally works its way through the bureaucratic State machinery and into the exporter's in-tray. But in the end, the inquiry is no less important than in the West.

Psychological

The question is how best to stimulate such inquiries. In Eastern Europe, in one form or another, all the normal Western media are available from television, cinema, posters, neon signs to display advertising in newspapers, periodicals and trade and technical Press. It is generally accepted, however, that the last category is the most effective way of spreading the company message and the most advantageous from a cost point of view. Direct mail, symposia, participation at East European exhibitions are all variations on the same theme of how to approach a wider yet relevant audience.

It is also true to say that an exporter who is prepared to invest money in the prospect of a new economy, by advertising in the

local media or by attending the national exhibition, is taking an important psychological step. Such an action is taken in the market, wanting to establish sound long-term relations with the Socialist state. It also indicates relatively easy hard currency earnings for the East European country, in a sense a reversal of kind of barter. Invaluable hard currency in return for consumer goods advertising. This is particularly true of the main purpose of this must be to create goodwill with the marketing organisation importing products. It is not to be demanded, since Western shops will, in any event, snapped up, advertising or otherwise.

Hard currency

Clark's TV commercial in Moscow or Gillette's commercials in Sofia will not have exposed sales of shoes or razor blades but they will have been a valuable PR exercise vis-à-vis importing companies.

However, a western company would not be able to publish its products if the East European advertising agencies in did not agree. Indeed, East European advertising agencies have been known to refuse advertisements sent to them on the occasions when they were unwilling to create a demand for products for which state funds were available. Or, to put it another way, if an East European advertising agency turns down the possibility of hard currency for this reason, it is because it knows local media are effective. Certainly, the main medium used by British exporters, the trade and technical press, has proved that it can stimulate demand.

Anglo-Hungarian talks
on packaging industry

AN 11-man mission representing a cross section of the U.K. packaging industry is to visit Hungary from November 22-December 3.

The mission will study at first hand the requirements of the Hungarian packaging industry and will also explore the possibilities of Anglo-Hungarian collaboration in various aspects of packaging, particularly in food and drink, dairy, agricultural and pharmaceutical products.

While in Hungary the British Mission will hold discussions with the Hungarian State Office of Technical Development, the Hungarian Chamber of Commerce and the Hungarian Institute of Materials Handling and Packaging and will also visit between

15 and 20 enterprises engaged in the manufacture of packaging and in filling and sealing operations. These will include packaging in tin plate, metallic board, plastics, glass, carton paper and board. The mission will pay particular attention to demand for high quality printing.

Bulgaria

Details have been released of the Bulgarian Science and Technology Days to be held in Britain for the first time. The event comprises an exhibition, technical symposium and scientific films, and will be held at CEB Headquarters, London ECL, from November 22-29, 1971.

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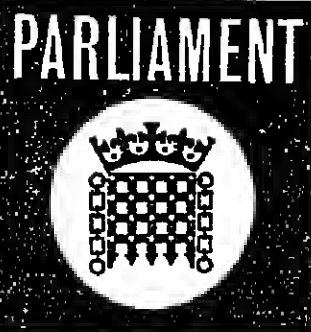
Such as *Aga*, *Rayburn*, *Microbore* heating, *Falcon* and *Ganymede* catering equipment, *Leisure* kitchen equipment, *Vogue* baths, basins and shower trays, *Allied Industrial* boilers and *Wednesbury* copper tubes and fittings.

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مكتبة من الكتب



Rises by P.O. 'within 5%

By Justin Long,
Parliamentary Correspondent

THE POST OFFICE has begun discussions with the Minister of Posts, Mr. Christopher Chataway, on proposals for increased charges within the terms of the initiative sponsored by the CBI for limitation of price rises to five per cent.

Explaining the intention, the Minister said: "It means there will not be increases of more than 5 per cent—although the initiative allows for increases in certain circumstances which may take the form of weighted averages within 5 per cent."

Suggestions that the Government was seeking to ensure the limitation on increases by pressure for the redundancy of 20,000 postal workers was denied by Mr. Chataway during Question-time exchanges.

"There is no question of 20,000 postal workers being made redundant," Mr. Chataway assured the Opposition. "The Post Office is looking at the scope of its services to determine what is the sensible structure of services for the 1970s."

But on the matter of increased postal tariffs, the Minister promised that no decision would be taken without the Commons being informed.

Pressed to make a firm statement about the future of Giro, he said he was urgently considering the views of the consultants, Cooper Brothers, and Post Office comments on them. These he had now received. "I hope to make a statement soon," Mr. Chataway added.

Telephones

Mr. Chataway said that the total number of households in the U.K. on the waiting list for a telephone was 164,000.

Mr. Ivor Richard for the Opposition asked why the Government was not accelerating its continuing the ban on the Post Office from manufacturing its own equipment?

Mr. Chataway said: "I have had no demand from the Post Office for permission to manufacture and there is no evidence to suggest this would help matters in any way."

Mr. Kenneth Lewis (C. Rutland and Stamford) asked: "Does it make any sense at all that the Post Office is advertising extra services when in fact they cannot supply people who really want a telephone?"

Mr. Chataway said advertising was designed to increase the telephone was more heavily used at off-peak hours which was of considerable financial advantage to the Post Office.

"Investment is running at a much higher level than ever before," Mr. Chataway said. "The Post Office has done extremely well in making a 10 per cent. greater number of connections during this year than was forecast."

Anti-dumping Order

THE COMMONS approved without a division the Anti-Dumping Duty (No. 4) Order 1971, imposing anti-dumping duties on wood chipboard imports from Norway, Sweden, Finland, the Irish Republic and Portugal.

Mr. Anthony Grant, Under-Secretary of Trade and Industry, said his Department had made a thorough investigation in response to representations from the home industry and was satisfied that dumping was occurring.

The duties which were retrospective and ended on October 1, 1971. "After that date, producers concerned undertook to raise their export prices to the minimum level considered necessary to eliminate material damage to the U.K. industry."

Blake's vision

TWO BOOKS by William Blake, "Visions of the Daughters of Albion" and "Europe—A Prophecy," have been accepted by the Treasury in part satisfaction of duty on the estate of the late Barnum Cunniffe of Leeds.

Announcing this arrangement in the Commons yesterday, Mr. Patrick Jenkin, Financial Secretary, said the total cost to the National Land Fund after allowing for exemption from estate duty and capital gains tax was just over £20,000. It had been decided that the books should be given on long-term loan to Glasgow University.

Pollution

LEGISLATION to increase substantially the fines that can be imposed for causing pollution will be brought forward as soon as opportunity permits, Mr. Peter Walker, Secretary for the Environment, told the Commons. The proposed Bill would enable the fines to be awarded on summary conviction. It was also intended that more offences should be dealt with on indictment.

Davies—not abandoning UCS policy

BY PHILIP RAWSTORNE

Mr. John Davies, Secretary for Trade and Industry, told the Commons yesterday that the cost of restructuring the shipbuilding industry on the Upper Clyde would be "considerable" but he refused to confirm estimates that it might be as high as £30m.

Denying Labour claims that the Government had been forced to abandon its original policy because of the UCS workers' opposition, Mr. Davies announced that:

The Govan/Linthouse project study would be extended to see if the Scotstoun yard could also be included in a new, economic unit.

Every effort would be made to encourage the private sale of the Clydebank yard—a decision from one prospective buyer was expected in a month or two.

The Government would advance another £1.5m. to the Liquidator, making a total of £5.5m. of which £2.7m. was repayable.

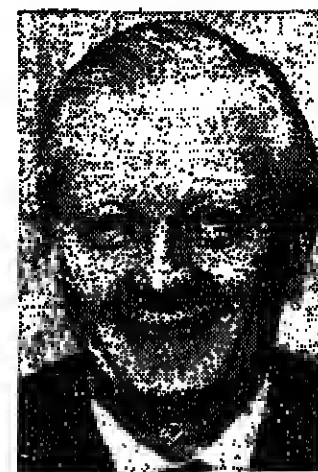
Government guarantees would be negotiated with shipowners to enable them to continue orders with Govan Shipbuilders. "Heavy losses" would be made on this new work as well as on ships now being built for which Government guaran-

tees amounted to £2.49m. and, in return, the unions would enter immediate "meaningful discussions" with Govan Shipbuilders on working practices and wage rates. If these satisfied the Government about the company's long-term viability, "considerable further public funds" would be needed for launching aid.

Mr. Davies told MPs: "The likely scale of the funds involved in putting a part of UCS on the road to ultimate prosperity reveals very clearly how unreal was the claim that the whole concern could have been saved by the injection of some £6m."

"That might have tided the situation over for a few months but was entirely inadequate to set it on the road to viability even if ship orders to sustain all four yards had been at all in view."

This was disputed by Mr. Anthony Wedgwood Benn, the Labour spokesman: "It would be much more honest if you would admit that you have been forced into retreat by the determined action of the men, whom you wholly forgot last summer but who are now half way to securing their main objectives."



DAVIES... many interesting observations by Mr. Benn.



BENN... you have been forced into retreat.



TAYLOR... news will be welcomed on Clydeside.

The statement

IN HIS STATEMENT, Mr. Davies said: "Govan Shipbuilders—the company set up with private capital to bring into effect the Government's wish to see a viable merchant shipbuilding industry on the Upper Clyde—has been faced with difficult problems to surmount before it can commence its task. "A condition of its receiving Government support was that it should enter into satisfactory agreements with its workers or their representatives concerning working practices and wage rates. But until very recently there was unwillingness on the part of the workers to enter into meaningful discussions with the company to this end.

"On the other hand the Liquidator was running out of work at Govan and Linthouse with a threat of heavy redundancy because the shipowners were unwilling, without far-reaching guarantees, to confirm their orders. Moreover the Liquidator was becoming very short of funds.

"In these circumstances I have had recent discussions with Mr. Dan McGarvey, of the Confederation of Shipbuilding and Engineering Unions, and subsequently Sir John Eden, the Minister for Industry, has had talks with the shipowners' representatives.

"The results of these meetings are: "Mr. McGarvey, with the full agreement of the shop stewards, worked on by the Liquidator are likely to realise a heavy loss, as

will the new work needed to maintain employment at Govan and Linthouse. Financial guarantees will be required from the Government to enable him to do this and will be included in the further statement to be made. "This refutes the assertion that UCS was on the verge of turning the corner into profitability. Moreover the scale of the funds involved in putting a part of UCS on the road to ultimate prosperity reveals very clearly how unrealistic was the claim that the whole concern could have been saved by the injection of some £6m. "That might have tided the situation over for a few months but was entirely inadequate to set it on the road to viability even if ship orders to sustain all four yards had been at all in view, which they were not.

Success

The following action is now to take place: "I will complete negotiations with the shipowners of the guarantees they need. The unions will enter into meaningful discussions with Govan Shipbuilders.

"The study of the Govan/Linthouse project which I have already commissioned will be extended to look at the alternative of the inclusion of Scotstoun. "I am ready to advance up to £11m. to the Liquidator over and above £4m. already advanced, of which £2.7m. is repayable. "I express the profound hope that all those having the future of shipbuilding on the Upper Clyde at heart will work together to make a success of these endeavours."

Orders

"To these will be added the considerable further public funds needed for investment in Govan Shipbuilders in addition to its private funds, so long as the company can put before me a fully appraised proposal for a concern capable of attaining long-term viability including, of course, evidence of satisfactory agreements reached with the unions.

"It is already abundantly evident that the ship orders being worked on by the Liquidator are likely to realise a heavy loss, as

The agreement

RECORD OF A meeting between Mr. John Davies, Sir John Eden and Mr. McGarvey and Mr. Service on October 13, 1971.

The representatives of the Confederation of Shipbuilding and Engineering Unions made the following points:—

(a) Their principal objective was to seek means of preserving employment in all four yards of the UCS. (b) In relation to the orders immediately needed at Govan to facilitate the establishment of Govan Shipbuilders, the CSEU was prepared to give assurances as to the contribution of the work force to the timely and efficient delivery of the ships, providing the Government was prepared to give the requisite guarantees to the ship owners in question, and

providing the Liquidator was prepared to set in hand work on those orders.

(c) As soon as the arrangements envisaged in (b) above had been made they were prepared immediately to enter meaningful negotiations regarding working practices and wage rates, with Govan Shipbuilders. These negotiations would cover the operation of the Govan and Linthouse yards and would be extended to cover Scotstoun as well, providing the feasibility study, including the inclusion of the last named yard to be in the economic interest of the whole project.

Mr. Davies agreed in view of the undertakings given by the representatives of the CSEU to assist in the finalisation of negotiations with the shipowners in question with a view to reaching agreement on the guarantees required to secure the confirmation of the orders above referred to. He welcomed Mr. McGarvey's assurance that in these circumstances talks would quickly begin to secure the establishment of Govan Shipbuilders.

Student unions: 'misuse of money'

MPs DISCUSSED the position of student unions and money given to outside bodies. Mr. Ronald Bell (C. South Buckinghamshire) called on the House to take note of the provisions in the Awards (first degree etc., courses) Regulations 1971, relating to the subscriptions to student unions and similar bodies.

An average of £11 each a year was paid in subscriptions to student unions. He estimated that throughout England and Wales, the total sum collected each year was just over £2m. "Over this very substantial sum of money there is absolutely no control or supervision at all—there is no element of accountability. Generally speaking, these funds are properly applied to the purpose for which they are provided."

"There are all too many incidents of serious misuse of the money," Mr. Bell said. "The misuse falls into three categories: financial; non-academic activities; paying legal expenses and fines of students; and favouring left-wing activities in political demonstrations."

At York University, for instance, there had been a move to take away a grant from the Conservative Association on the remarkable grounds of the Chancellor's tax cuts in his Budget.

He said there should be a registrar of students unions to provide scrutiny of such large sums of money given to students aged only 18 or 19 years old. Also, quinquennial meetings should be enlarged. Union membership could be made voluntary because public money now was linked to compulsory membership.

Mr. Angus Mande (C. Stratford-on-Avon) said there should be a registrar, or other form of public body, to approve the constitutions and the accounts and conduct of student unions and similar bodies.

Mr. Edward Short, "shadow" Education Secretary, said: "It seems to me the pressure is being brought on a few very high profiled and quite untypical incidents out of 700 student unions up and down the country."

"Voluntary membership would mean the student community would be destroyed and we would

end up with much more militant bodies such as had been experienced in France and Italy. The Secretary, Education, said: "The pressure is being brought on a few very high profiled and quite untypical incidents out of 700 student unions up and down the country."

"Voluntary membership would mean the student community would be destroyed and we would

Finance Corporation call to raise loan limit to £100m.

THE CHAIRMAN of the Finance Corporation for Industry, Sir Humphrey Mynors, said yesterday he would like to see the corporation's borrowing limit of £100m. raised.

Sir Humphrey told a trade and industry sub-committee of the Commons Public Accounts Committee: "At the moment we are practically fully lent—more than we ever have been in our history."

"I should like, therefore, to have a larger limit than was fixed when we were formed in 1945, and which has never been increased."

Sir Humphrey said that £100m. meant a great deal more in 1945 than it did today, and even if the limit were doubled, they would still not be larger than they were originally.

Sir Humphrey told the committee that the corporation, formed by the Bank of England, the merchant banks and insurance companies, just after the war to help finance industry, filled certain gaps in the money market. One of these was in the time length of loans. If a company wanted money for too long a period for a bank loan and too short a period for a bond issue, they applied to FCI.

Institutions, it had to obtain its finance in the form of normal overdrafts from the clearing banks.

"There have been enormous changes in the situation of the banks from whom we borrow," said Sir Humphrey. "Although we might well get our borrowing powers increased we might find that the banks were not so ready to give us the blank cheque they did in the old days. This is because the banks are more prepared to do the business themselves."

Sir Humphrey predicted that the banks would begin to lend for longer periods and there was already a greater readiness on the part of institutions to take bond issues for as short as 15 years, compared with 20 to 25 years in the old days.

On the subject of public money for industry, Sir Humphrey said he felt that something on the lines of FCI might well be used as an agency for public funding.

"But it would be asking a lot for public money to be handed over to the FCI with complete freedom," he added. "The final decision for a particular use of public money must have to rest with the Government."

Lord Sheffield, chairman of the Industrial and Commercial Finance Corporation, told the committee that his corporation served smaller and medium-sized sections of industry. The corporation raised its own funds from the money market and helped companies wanting to develop who had run out of bank credit and were not ready to go to the market.

Lord Sheffield said the corporation operated on a smaller scale than FCI and in the past three years its gross investment had been about £30m. annually. The lending period of the loans went up to 20 years.

Lord Sheffield said: "If it was decided that we should operate in any particular respect as an agent of the Government, I think we could handle the Government's money. And it would not inhibit our usual operations."

He said that if public money were given to them as an agent of the Government they would segregate it from their own operations and they would have to make clear what the Government's policy was as to the use of public funds.

"There would be difficulties in making use of public money but we would expect that conditions on which it was to be deployed would be very carefully defined. "We don't need public money. The private money market is sufficient for us."

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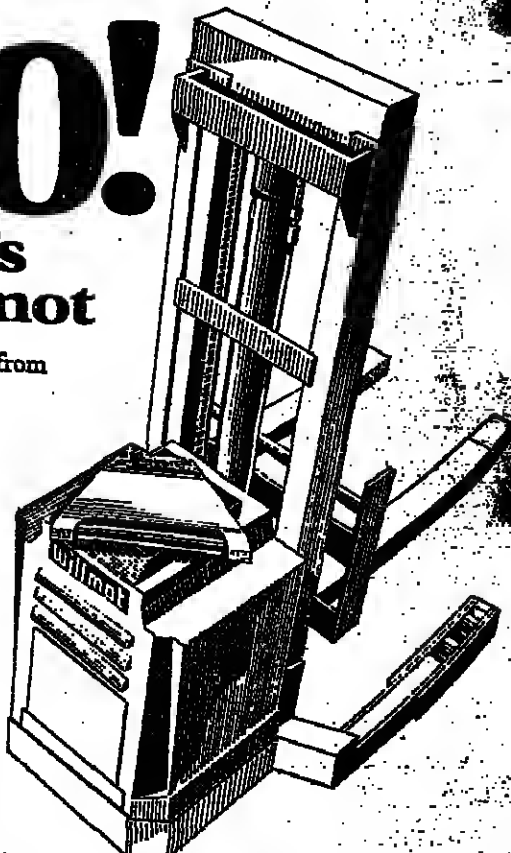
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Other Overseas News

BRIEF

PEKING. Dr. Henry Kissinger, President Nixon's top foreign policy aide, began talks with his Chinese hosts yesterday.

TOKYO. Chinese Foreign Minister Pao Hsiang-kuo speaking on Tuesday on a visit to Japan, according to a New China News Agency.

NEW DELHI. India and Yugoslavia have agreed to work for unity of the Group of Seven, which represents interests of developing countries in UNCTAD, by setting up a permanent secretariat.

BEIRUT. A joint communiqué issued at the end of President Sadat's visit to New Delhi, Yugoslavia supported India's stand on the political settlement to the refugee problem to return to their homes.

TUNIS. The Government-controlled Press yesterday issued a statement that the President, Habib Bourguiba, has been elected to a second term.

DAR ES SALAAM. The South-West African People's Organisation (SWAPO) said here that South African soldiers killed and wounded several in three actions in Namibia (South-West Africa) since September 24, October 4 and 1971.

CAIRO. Some 1,750 candidates have been nominated for the 27th general election in Egypt. The election will be held in the last stage of the process of reform of Egypt's political institutions.

NEW BENGAL HARITY DRIVE

Kevin Rafferty
BAM is launching a campaign to persuade world leaders to take more interest and provide more money to rescue people who are suffering in Bangladesh. The charity has produced a special report 'The Testimony of Sixty' containing details from 60 people, mainly Muslims and aid workers, on the situation in Bangladesh.

The report is being sent to all British MPs, U Thant, President of the UN and other heads of state.

Signs of strain in Arab federation

BY RICHARD JOHNS, MIDDLE EAST CORRESPONDENT

TRIPOLI. President Sadat will visit Tripoli in the near future for what could be a strained meeting with Colonel Muammar Khaddafi, the Libyan leader.

According to Cairo Press reports, President Sadat made known his intention of going to Libya at the weekend when he was briefing the Arab Socialist Union Central Committee on his Moscow visit. Just previously, on October 16, the Libyan newspaper Al-Jundi had expressed surprise that President Sadat and President Assad of Syria had issued a joint communiqué in Damascus. Radio Tripoli expressed similar sentiments.

Libyan resentment arose out of the fact that foreign affairs are a federal subject in the embryonic Federation of Arab Republics which came into being last year. By contrast, Libya claims that Col. Khaddafi, President Sadat in Moscow to tell him about his talks with President Boumedienne.

President Sadat is believed to have been displeased by Col. Khaddafi's public criticism of Algeria which preceded the meeting with President Boumedienne. In addition, he will probably tell the Libyan leader of the Kremlin's grave concern over the militant anti-communism of the Tripoli regime.

E. Pakistan instability endangers economy

BY OUR OWN CORRESPONDENT

KARACHI, Oct. 20.

UNSTABLE political conditions in East Pakistan are likely to force Pakistan to cut back its economic plans, according to experts here. Economic activity is slow and the scarcity of foreign exchange is affecting industrial progress.

An increase in premium rates by U.S. and British insurers is also causing concern to Pakistani businessmen. The war risks rating committee and Lloyd's said the increase in insurance rates on cargoes to and from East Pakistan from yesterday was covered by clauses relating to war and strike, riot and civil commotion risks. Business circles in Karachi claimed that this appeared to be an international conspiracy to cripple Pakistan, jute exports from East Pakistan, and asked the Government to intervene.

Another setback to the economy is that hundreds of applications are at present still pending with industrial financing agencies because of the shortage of foreign exchange funds following the cutback in foreign aid and credits earlier this year.

Jordanian guerilla pact near

By Our Own Correspondent

BEIRUT, Oct. 20.

AN AGREEMENT between the Jordanian Government and Palestinian guerrillas to settle their conflict may be imminent.

A Saudi official spokesman has announced that commando and Jordanian Government representatives will resume their talks in Jeddah in the next few days to work out the final lines of their future co-operation.

The first was that the Federation should make a declaration of support for Muslims throughout the world (apparently reflecting Khaddafi's concern about persecution in the Philippines); secondly, that the prohibition of alcohol in force in Libya should be extended to Egypt and Syria; and, thirdly, that all three countries should revive the traditional Islamic zakat, or alms levied on the rich to help the poor.

Our Cairo correspondent writes: During President Sadat's recent visit to Moscow the Soviet leaders showed particular concern about anti-Soviet trends in the Arab countries and also about reports of an Egyptian understanding with the U.S. on a Middle East peace settlement, according to an article in today's Al-Ahram. The article is written by Lutfi al-Khuli, a member of the Arab Socialist Union Central Committee, who was in Moscow at the same time as President Sadat as a member of a delegation holding talks with a Soviet Central Committee team.

Mr. Tal was believed to have submitted to King Faisal a note containing Jordanian proposals for settling the crisis with the guerrillas. The Jordanian Government has received word that Mr. Arafat has agreed to the main points in the Jordanian note, according to reports from Amman. Final details will be discussed at the projected commando-Jordanian conference in Jeddah. The reports emphasised that an agreement will be signed at the meeting.

Under the reported Jordanian proposals, commandos will be allowed to re-establish camps in areas in Jordan to be assigned in agreement with the Army. Commandos will respect Jordanian sovereignty and laws, and will carry out their activity inside occupied Arab territory.

Emergency declared in Cambodia

PHNOM PENH, Oct. 20.

Prime Minister Lon Nol declared a state of emergency today and appointed a new Government to rule by "ordinance" rather than by constitutional law. He said he no longer will "play the game of democracy and freedom" since it stands in the way of victory.

The Prime Minister, in a nationwide broadcast following a silent protest by Buddhists against Saturday's suspension of the National Assembly, appealed for unity but coupled it with a veiled threat against dissenters.

Recently, certain groups have launched acts aimed at creating confusion," he said. "There is a fifth column at work."

IVORY COAST

Experiment in TV teaching

BY TAMAR GOLAN IN ABIDJAN

A LITTLE less than a month ago the West African Republic of Ivory Coast became one of the first countries in the world to embark on a scheme of educational television (ETV) designed eventually as the main method of teaching in all state primary schools.

The first 11,000 Ivorian pupils in 487 classes have now sat for the first time in front of the shining screens some of which are located in classrooms in remote villages in the heart of the tropical forest.

Experts from UNESCO and individual developed countries such as France, Canada and the U.S. (the British Government has contributed educational material from the BBC) are all engaged in this undertaking, which has been called here The Challenge.

School-age

The project is so far only in its initial stages. Eventually ETV is intended to cover all the country's primary schools and to provide, by 1980, primary education for every child over the age of six. For the time being however only about five per cent. of all school-age children are involved. Coverage, with main transmission at Bouaké in central Ivory Coast, is by no means countrywide; that too, will have to wait ten years.

But in each of the next ten years it is hoped to involve a further 25,000 pupils in the scheme. The hope is that the use of television will not only speed up the teaching of French—the basic educational language in the Ivory Coast—but that all other subjects on the primary school curriculum will also be covered.

Not surprisingly the experiment is costly. It is estimated that the total cost of education (capital and recurrent) in the Ivory Coast over the next decade will be around \$500m. The Ivory Coast itself will provide by far the largest proportion of this (80m), but part of experience has also been examined.

As was to be expected, it may be more difficult to the remote areas. To help solve this problem, two sets and a score of spare parts have been furnished to each class; the box containing the TV and parts is safely locked and the whole apparatus easy in handle. Still, at present mostly foreigners must be kept in a general state of alert. The problem of getting to the interior for repairs is not so crucial in the Ivory Coast as it might be in other countries, however, since the country is compact and has relatively good infrastructure. In vast, sparsely populated and poorly equipped Niger, this seems to have been the critical factor in the discontinuation of "Tele-Niger".

The common worry about the teacher becoming obsolete, is of course, completely dismissed by the ETV planners who emphasise that the televised lesson will only ever be the first 15 minutes of a regular lesson; it will thus not replace the teacher but give him more flexibility and freedom for more fruitful contact with his students.

From this stems yet another criticism of Ivorian ETV: a great deal of attention is devoted to explaining to the public the technical merits of teaching by television as opposed to the more traditional methods, but virtually nothing is being said about reform of the content of education. Although on several occasions the need for adapting educational curricula to the African context has been stressed, no official statement has been made about the possibility of the Ivory Coast severing its ties with the French curriculum; the latter is still the sole basis for examinations and certificates at all levels of education.

Likewise, not enough has been revealed about the alternative open to students who fail to obtain the required results in the normal four-year course envisaged in the ETV primary school system.

They are to be directed towards some kind of vocational schools, but the curriculum for those is not yet available. Scarcely thus doubt whether the immense cost is justified in terms of the expected results, and alarmists even go as far as to warn of an "educational explosion".

On the technical level, the problem of maintenance seems to worry many observers, while the big centres will probably prove capable of operating the TV and coping with breakdowns.

This quiet revolution may become a big cultural revolution provided the introduction of TV does not perpetuate the anachronisms of a curriculum where pupils have to recite the deeds of "nos ancêtres les Gaulois" and provided their post-ETV future is guaranteed. This is the challenge presented by ETV.

Poland lends Lagos £10m.

LAGOS, Oct. 20.

POLAND today offered Nigeria a £10m. loan in a fresh move to boost the meagre trade between the two countries. The loan offer was pledged by the first deputy minister of foreign trade, Mr. Ryszard Strzelski, during the first round of talks here today between his visiting Polish trade mission and Nigerian Government officials.

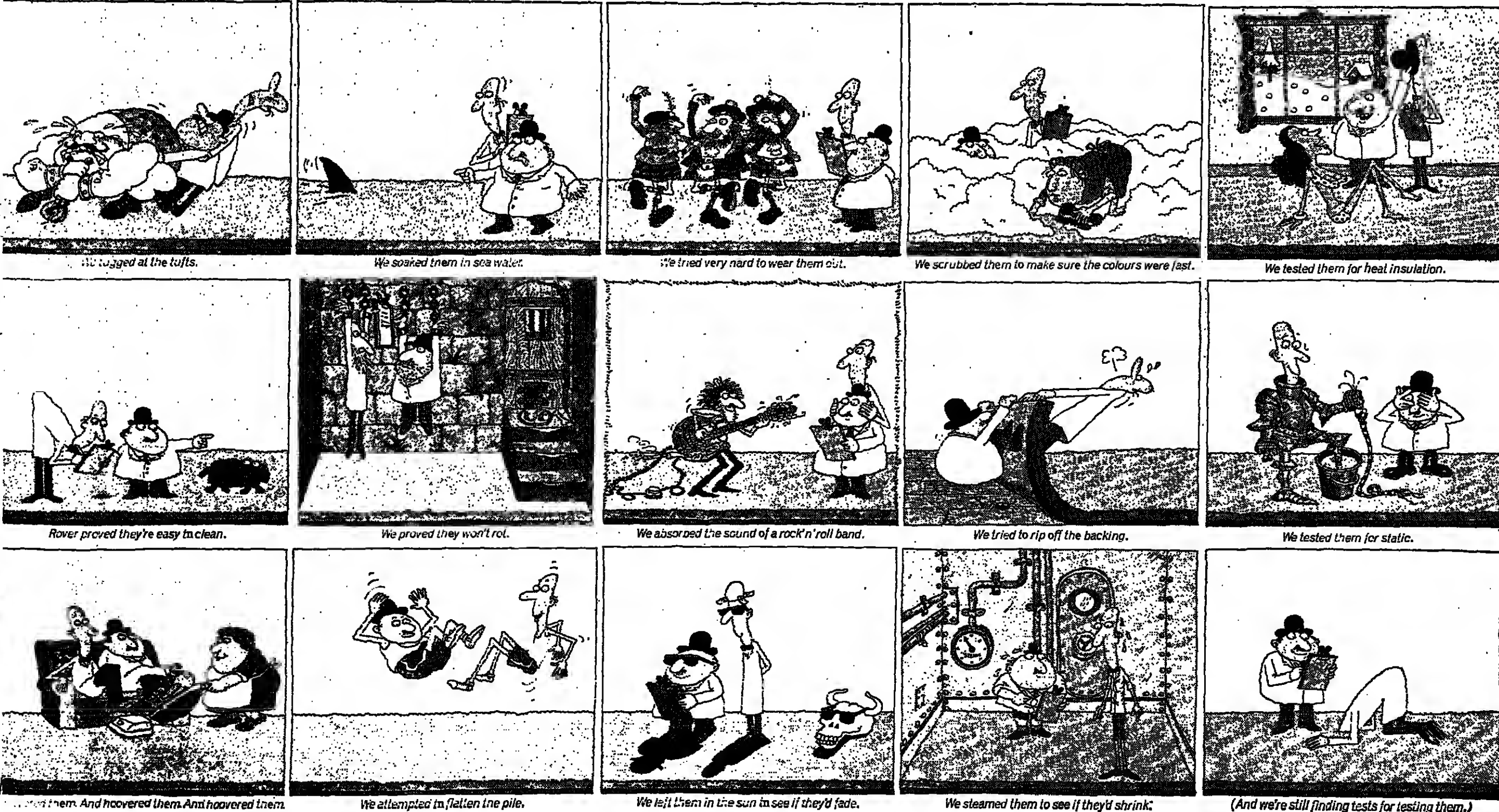
A Polish Embassy spokesman, who was present at the talks, said details of the proposed loan would be negotiated tomorrow in continued talks with officials, especially those at the Finance Ministry.

Australian prices soar

BY OUR OWN CORRESPONDENT CANBERRA, Oct. 20.

FEARS about the accelerating rate of inflation were confirmed today by official statistics for the September quarter. The consumer price index rose by 1.7 per cent., equivalent to an annual rate of inflation around 6.8 per cent and an increase in basic living costs of about \$A1.52 a week.

Not since 1956 has the index shown such a rise in what is usually the relatively stable September quarter. With the certain knowledge of worse to come in the final three months of the year, the Government's economic policy has been pushed unquestionably into number one position among current political issues. The biggest components of the latest cost of living rise are increased charges levied by State governments who have been consistently critical of their financial treatment by Canberra. Fares rose 17.3 per cent in the latest index figures and health service costs 7.8 per cent, accounting for about 91 cents in the total of \$A1.52.



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space here to detail the results of the other 67 tests. But we're equally chuffed about them.

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The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOTERS

LIQUID CRYSTALS

Colours mark heat changes

LIQUID crystals flow like liquids but show the optical characteristics of crystals. More specifically, the molecules of a liquid crystal have a defined order somewhere between a liquid and a solid.

The first recorded example of a liquid crystal was in 1888—it was cholesterol benzoate, and was characterised as a new substance because it displayed brilliant colours when heated and cooled. Until the 1930s liquid crystals were the subject of considerable research: interest faded but revived in the 1960s and since then almost all the major electronics corporations in the U.S. have been engaged in some form of liquid crystal research.

Research workers have classified liquid crystals in two broad divisions—thermotropic and lyotropic. Those demonstrating thermotropic mesophases are further divided into smectic, nematic and cholesteric types. Of these it is the cholesteric and nematic liquid crystals that have stimulated the greatest industrial, commercial, and artistic interest.

Nematic liquid crystals are normally transparent, but on application of a small voltage (3-30 volts AC or DC) they become translucent or "frosted". The degree of transmittance is controlled by the voltage, and the process reverses as voltage drops. Response time is a fraction of a second.

Manufacturers of nematic crystals envisage a whole range of applications (some in electronics are described in the following article), including windows that automatically darken in sunlight, optical shutters, alpha numeric systems, inch-thick TV sets to hang on the wall like a picture, and a variety of display devices and signs.

Cholesterics are probably the most interesting of the liquid crystals. Their most intriguing

characteristic is their iridescence when illuminated with ambient light. This is caused by polarisation, and produces the full visible spectrum from red to violet. The colours shown by liquid crystals are unique for a specific temperature, making quantitative measurement of temperature possible to an accuracy of less than 0.1 degree C. By selecting a particular liquid crystal, colour changes caused by temperature variations can be indicated in a range from -20 to 250 degree C.

For example, a liquid crystal may appear dark red at 30 degrees C; if the temperature rises to 31 degrees C the colour shifts through yellow, green and blue to violet. The crystal is colourless above and below its operating range, which in this example is 30 to 31 degrees C.

The colour characteristics may be changed by subjecting to heat, organic vapours, and shear or stress. The right cholesteric may be used for measuring temperature gradients, gas detection, or registering shear phenomena down to 0.5 gram/square centimetre.

Liquid crystals are manufactured in the U.S. by Liquid Crystal Industries, of Turtle Creek, Pa 15145, and both nematic and cholesteric crystals are marketed in the U.K. by C. T. (London) Electronics, of Sutherland Road, London, E17. The company will supply an experimental kit containing small quantities of cholesterics of a broad selection of temperature ranges, which can be sprayed with a special aerosol. The sprayed crystals can provide a thermographic map of the treated surface, monitoring temperature changes from moment to moment.

Response time is about one-fifth of a second, and possible applications include detecting hot spots on integrated circuit boards, overheating in electrical

imperfect bonding in laminated materials, and for correct heat distribution in heat exchangers. The material has been used to determine local temperature variations in the metal structure of a machine tool. Sprayed on the human skin, cholesteric crystals can help pinpoint significant temperature contours that might indicate abnormalities in the tissue.

The crystals can be supplied with an irreversible colour change to provide a permanent record of temperature variations. Two kits are available—one covering temperatures between 0 and 72 degrees C, the other 80 to 184 degrees C.

Apart from research and technology, the maker considers that cholesteric crystals have considerable potential in decorative art and for the manufacture of gifts and novelties.

Simplified display

ELECTRONIC display panels that use liquid crystals instead of lamps or tubes to flash messages are moving closer to the point at which they can be marketed because of new and simplified circuitry developed by research staff from the General Electric Research and Development Center, P.O. Box 8, Schenectady, NY 12301, U.S.

The new GE design requires only 16 electrical leads for an eight-character-wide display, compared to the 63 needed for competing liquid crystal displays.

The development is expected to speed applications of liquid crystals in advertising terminals, computer time-sharing displays, calculators, and electronic wristwatches, according to Dr. Arthur M. Bueche, vice president for research and development.

Fabrication costs are expected to be considerably lower than conventional displays, and the amount of electronics required will be reduced by some 75 per cent, and because alternating current is used, liquid crystals have a longer lifetime than those used in conventional direct current systems. In the devices the liquid crystals scatter available light when a voltage is applied, becoming turbid and changing in appearance from transparent to opaque or frosted.

Since no light is emitted or generated, very little power is required to operate liquid crystal displays. It amounts to about 300 microwatts per square inch of area to be activated.

The eight-character display was made by sandwiching a liquid-crystal layer between two plates of glass. The top plate is coated with a conductive film, patterned to form eight separate blocks. The lower plate is coated directly beneath each block to fashion seven segments grouped in a figure-eight pattern. When various combinations of segments are activated, a specific numeral—ranging from 0 to 9—can be formed, along with a decimal point.

Key to the display is a single lead linking all common segments and decimal points along the horizontal row. In addition, each of the eight characters across the display has a separate lead, so that each character can be activated independently or simultaneously. Each character is scanned electronically in sequence to determine which ones are to be activated.

By changing the frequency of the alternating current on the lead, the liquid crystal film can be made to appear either transparent or opaque. A high-frequency pulse makes the liquid crystal film appear transparent. A low-frequency pulse makes it opaque or frosted. Thus, messages or code can be created as desired.

POLLUTION

Managers must be responsible

MANAGEMENT bears the main responsibility for pollution prevention, according to Mr. A. J. Biggs, the CBI's chief technical adviser on pollution problems. Speaking during the "Production Engineering Research Association at Melfoo Mowbray, he said managers must make themselves aware of legislation affecting effluent from their plant, both gaseous and liquid.

They must learn to use the best practices and techniques to comply with laws and regulations as economically as possible.

Mr. Biggs foresaw increasing pressure over the next few years to abate pollution, but warned his audience that the resources available for the job are unlimited and pointed to the need for continuing co-operation between industry and Government, as well as local authorities.

COMPUTERS

Modelling made easy

IMPROVED business forecasting with much simpler equipment and procedures than normally associated with company model building is possible by means of an analogue display comparator which uses simple mathematical relationships to build a working replica of a business or company situation.

Designed as the first of a series of such devices by Management Aids of 90 Tontine Street, Folkestone, Kent, the unit is supported by an advisory service by the company whose staff can show potential users how to obtain the data they need to work the machines.

Accuracy improves as the equipment is used and it may help the smaller operator as a stepping stone to the more elaborate operational research techniques.



METALWORKING

Unblemished sheet metal

STRIPPABLE deep-drawing coatings which protect the surfaces of metal sheets during forming are made from a liquid synthetic polymer combined with dissolved synthetic resins, formulated to allow thinning with a number of organic solvents.

This combination, known as "Telzinyl", sets into a plastic film which provides good protection against blows and abrasion in processing and transport. High-grade surface finishes are thus retained on the final product. In addition, sensitive forming tools are shielded from corrosion and premature wear.

Applications include deep-drawing of car parts, stainless steel, tableware and decorative facade elements for buildings; and protection of metal surfaces (particularly bright or polished sheets) against chemical or mechanical harm during delivery and storage.

As a clear varnish, dyed red or blue, the coating is supplied in four viscosities with a run-out time of 80 to 120 seconds (based on DIN standard measuring cup).

Pneumatic drilling

SPECIAL purpose, low-cost automatic drilling machines have been brought out by Fraser-Nash (Engineering), of South Street, Midhurst, a company which is more widely known as a design engineering organisation.

A typical machine from the new range is a double carriage pneumatic drilling machine capable of drilling up to 90 holes of even pitch, but different angles, in a curved aluminium or steel component.

Automatically programmed on a linear track arrangement, the machine is based on the double carriage principle—while one component is being drilled on one carriage, the other carriage is reloaded.

Jigs mounted on the carriages provide for the location and clamping of the components to be drilled. To operate the machine, the operator moves either carriage into the central position, automatically locking it into the first drilling position.

The machine is fitted with Desoutter-AFD self-feed, fully automatic drill units, which drill over 10 linear movements to provide the required pattern of holes.

Holes may be drilled up to 5-16th inch diameter in alu-

minium and 1 inch diameter in steel. Countersinks and recesses can be provided in addition to plain holes, and tapping capability is optional. A spray lubrication system is built into the machine to assist the drilling or tapping operation.

The 50-1 reduction gear enables the welder to rotate the Scout Car hull on the cradle through 360 degrees like a "pig on a spit" and work on the hull in absolute safety.

The cradle, designed at 38

degrees, is mounted on castors moving in machined guideways and is brought in and out of the production strip line as required.

Further details from Chemie-Export-Import, 1055 Berlin, Storkower Strasse 133, East Germany.

Without lubricants, even when their formability is not fully used. The coating acts as a lubricant in the tool gap. When applied to only one side of the sheet it shows better drawability. While the coating's formability improves with decreasing thickness, the stripping properties deteriorate proportionately, so that an optimum thickness must be found.

Further details from Chemie-Export-Import, 1055 Berlin, Storkower Strasse 133, East Germany.

Ferrets in a cradle

FACED with the problem of extensive modifications to Ferret Scout Cars, the Army at Chilwell, Nottingham, decided to design a cradle to enable the welders to operate down-hand on a flat surface in safety. This method saves having a crane in use throughout the modification process, and minimises risk of accidents involved with men crawling around the one-ton Ferret bulls suspended from a crane.

The 50-1 reduction gear enables the welder to rotate the Scout Car hull on the cradle through 360 degrees like a "pig on a spit" and work on the hull in absolute safety.

The cradle, designed at 38

SOFTWARE

Speeding up the tour operation

ADDED at package tour operators, a computerised reservation system which has cost so far £120,000 to create, is being offered by Detwiler, Thomas & Associates in conjunction with Centre-File, the National Westminster computing services' shoot.

Centre-File will be operating the service as a share facility along the lines on which it provides services to brokers and building societies.

Operators will have visual display units and/or printers at their offices and as inquiries are made, the sales staff will be able to interrogate the central mainframe to find out just what is available. If the answer "yes" details are displayed on the local screen, or printed out and the booking is confirmed immediately. If the requested holiday cannot be arranged, the nearest alternatives are automatically presented.

As soon as a booking is made the computer programs immediately update all information on file so that there is no chance of a double booking. The system also allows the operator to off-holiday he has available, reducing the risk of finding that some have been left on the shelf.

Packaged tour operators are expected to grow over the next few years as such a rate that they will have doubled by 1990. Administrative problems involved in booking, together with computer shortages, make operators' problems a nightmare of paperwork unless computer techniques are adapted.

Tourism is the largest industry in the world and any system which will reduce the frequency of the much-publicised wrong bookings is to be welcomed.

Detwiler, Thomas & Associates, 21 Montagu Street, London W.1.

Moving over to work in real-time

MANY COMPUTER installations are moving towards a multi-manufacturer situation which will require users either to do a great deal more software writing themselves than they have hitherto done, or to rely on the services of software houses for proprietary packages or work which reconcile the existing system to the additional equipment.

One such product, mentioned at a seminar in London yesterday, is "Computers and Communications", a monitor for communications systems operating in real time from larger IBM machines.

"Intercom" is a product of Programming Methods Limited, itself part of the GTE Information Systems Centre at Central Way, Feltham, Middlesex.

It has cost a considerable amount of time and money to develop and is described as an efficient means of operation by providing a processing of many messages in parallel without allowing the central processor to remain idle while files are being consulted.

Intercom allows batch processing users to convert to real time without having to rewrite applications programs. At the same time, it allows development of new systems to write in a variety of languages.

It permits safe recovery of all messages in the event of computer failure and it will allow additions to terminals to the system without any effect on users' programs.

This equipment—Ferranti's latest modular digitiser—has been designed to collect information from drawings and maps and convert it into data processing codes. There are no moving parts other than the cursor, which is free to move over the digitising surface in random movements.

Central Workshops REME, at Chilwell, complies with four criteria: all-round accessibility for the welder; cheapness to manufacture; safety in use; and mobility on the workshop floor.

Reliance Sheet Metal, of Nottingham, won the tender to make the prototype for £490 and has since produced three more rigs or cradles to give a two-day production line capacity.

Trimming coiled strip

STATED to be a convenient economic method for edge trimming coiled strip, a rotary cross trimmer has been developed by Redman ARM Engineering, Whitehall Road, Tipton, Staffs.

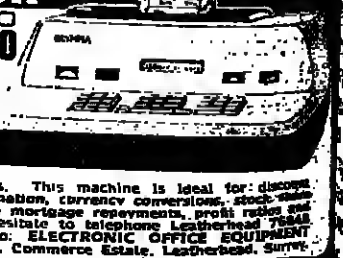
The rotary knives in the motorised cutting head work like a slitter, with the upper knife knurled. When edge trimming is required the head is pulled into contact with the strip edge. The upper knife bites into the strip, driving the head forward and cutting across the strip width. When the cut is complete, the knives lose their grip and the head is returned by hand or counter balance weight.

The unit is mounted on castors moving in machined guideways and is brought in and out of the production strip line as required.

OLYMPIA RASE4/30-2 ELECTRONIC DESK CALCULATOR

NORMAL PRICE £275.00
OUR PRICE ONLY £175.00

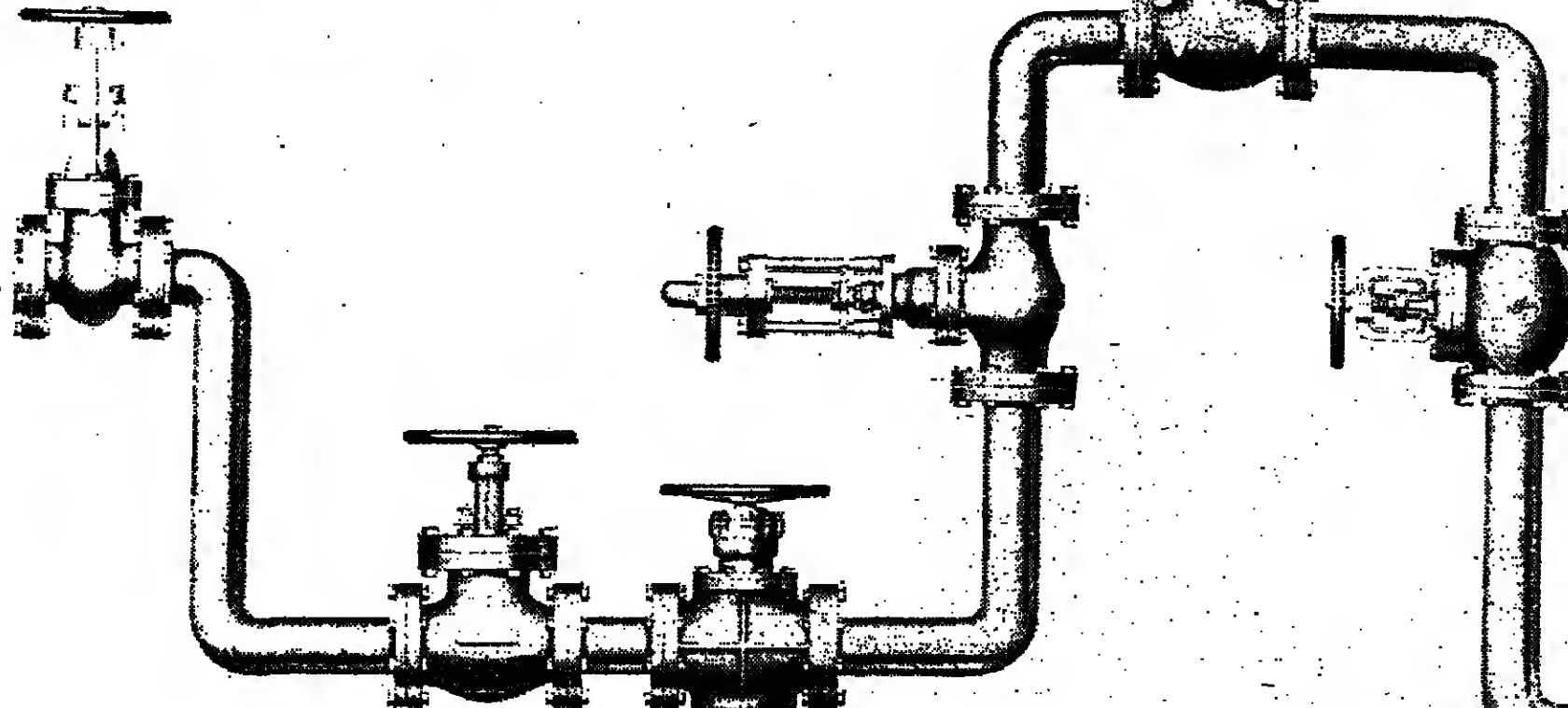
Yes, a desk calculator that is equipped with a Silent Printing Unit. The RASE 4/30-2 provides a complete printed record in a review step of a calculation. It adds, subtracts, multiplies, divides. Automatic continuous calculations without re-entry. 2 storage units for accumulation or constant factors. This machine is ideal for: design studies, finance, costings, and confirmations, currency conversions, stock and return profits, loss interest & mortgage repayments, profit ratios and standard deviations. Please send holiday to: ELECTRONIC OFFICE EQUIPMENT COMPANY, FIVE 69 Kingston Road, Commerce Estate, Leatherhead, Surrey.



Hattersley Newman Hender Ltd
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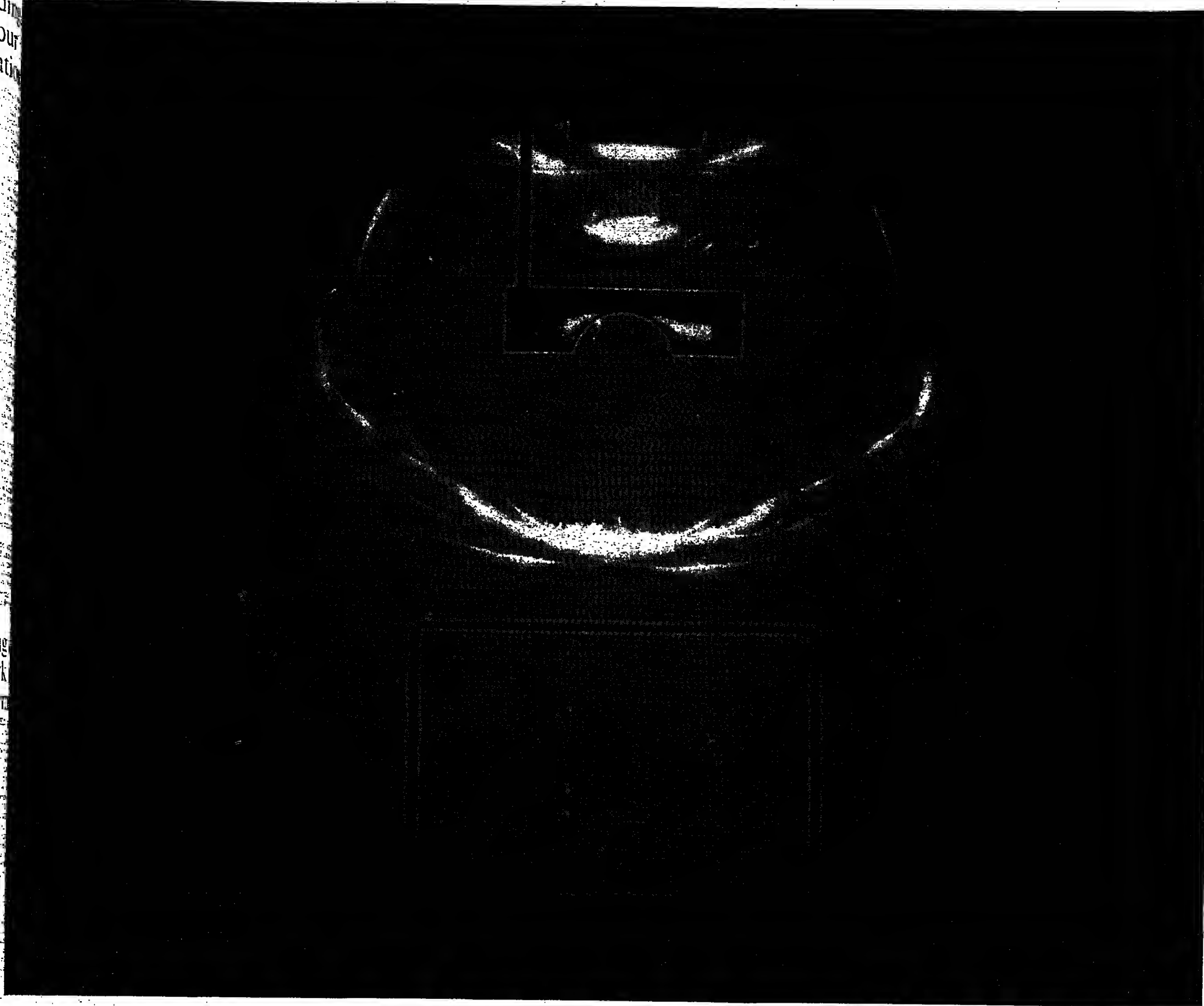


هل هذا من الآصل

Jeffingito

SOFTWARE
Speeding
the tour
operation

Moving
to work
real-time



Ultrasonic pulses in a liquid taken with the aid of Schlieren apparatus developed by TI

TI research takes a new look at ultrasound

Advanced engineering in action! Important work on the visualisation of ultrasound at the T.I. Research Laboratories, Hinxtton Hall, near Cambridge, is part of a continuing programme to improve techniques for non-destructive testing of welded and seamless steel pressure tube.

Visualisation of ultrasound

The programme includes the design of a new generation of high-speed ultrasonic equipment with electronic beam steering which eliminates the need for tube rotation in testing. The two methods of visualisation developed by TI are direct pulse images using a specially-developed Schlieren apparatus, and computer plotting. Schlieren methods for detecting deviation of a parallel light beam caused by scattering, diffraction or refraction are well established. The techniques have already been used for the visualisation of continuous ultrasound in liquids. But TI research has led to the building of an ultra-sensitive Schlieren apparatus, in which pulsed ultrasound may be visualised both in water and in solids, with 'freezing' of the wave motion so that individual wavelets can be distinguished.

Glass tubes are used as models as their elastic properties are very similar to steel. In a glass block, ultrasound has been clearly recorded as separate pulses split into longitudinal and shear waves. Frequencies down to 200 kHz may be used, the wavelength of which is 25 times that used in normal ultrasonic testing. This allows dimensions to be scaled up several times so that the effects of defects as small as 0.025mm can be examined in magnified form. Computer visualisation makes use of a standard program which plots the path of ultrasound and the pulse shape. Power levels at different

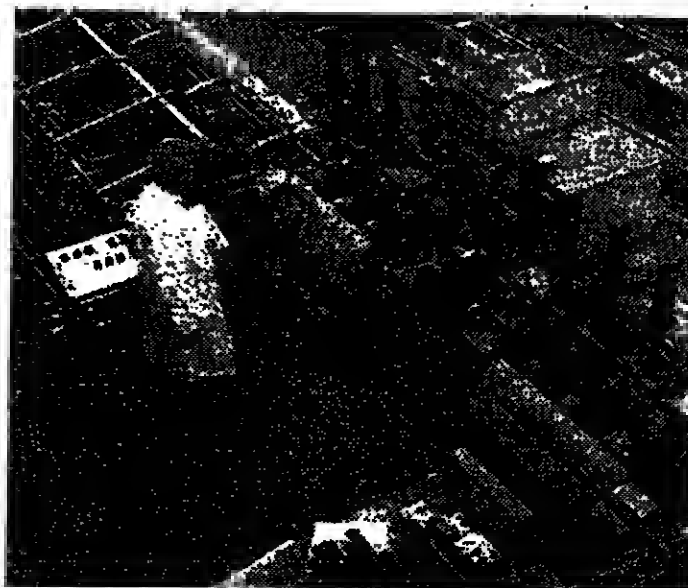
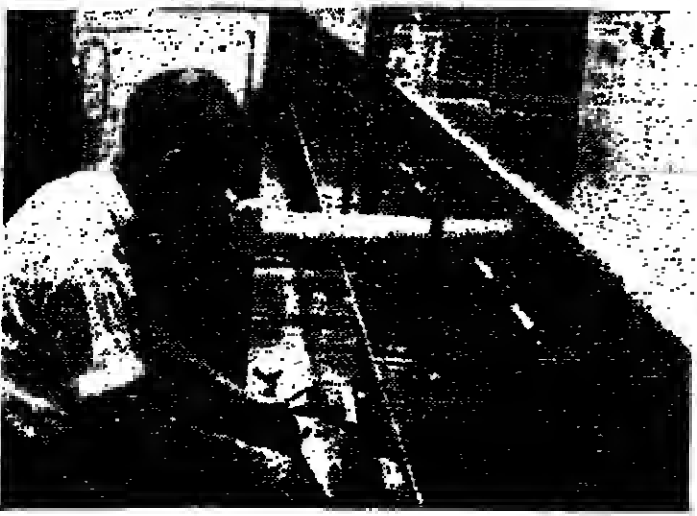
points in the wave can also be indicated, so focusing efficiency can be studied, and lens design optimised. Such theoretical studies are important as complementary techniques to Schlieren visualisation.

Ultrasonic beam steering

Development of improved ultrasonic techniques and equipment for production testing of steel tubes has been a continuous process for some years at TI Research Laboratories. The main requirements are for increased speed of testing, reduced tube handling, and precision to higher standards.

The TI high speed ultrasonic tester now in use in production has 24 probes, mounted in a ring, which surround the tube. These are pulsed sequentially, and the tube is slowly rotated to provide complete circumferential scanning. This was an important breakthrough compared to the slow speed conventional rotating tube and single probe method. Theoretically, the addition of further probes up to

The ultra-sensitive Schlieren apparatus designed and built at Hinxtton Hall.



Prototype high speed ultrasonic tester under development.

72 could eliminate rotation altogether for many tube sizes, but this would lead to far greater complexity in setting-up procedures. In fact, for complete 100% testing and detection of all longitudinal, transverse and intermediate angle defects, over 1000 probes would be necessary—an impossible piece of equipment for production use. Research was therefore directed at new techniques which would reduce mechanical setting-up procedures and improve thoroughness of testing to meet more stringent quality control standards.

Following computer simulation, experiments were made with a phased array of ultrasonic transducers. Electronic switching was developed so that the transducers could be electronically fired at correct time intervals relative to their distance from a desired focal point, and so contribute to a combined ultrasonic beam. This made it possible to utilise the

array as a 'distributed probe'. With a continuous circular array surrounding a tube, this focus of ultrasound from an arc of transducers can be made to travel around and through the tube, providing a 100% ultrasonic testing with no mechanical rotation of the tube or ultrasonic test head required.

Transducer firing times for the various tube sizes have been calculated by computer and probes can be set up electronically instead of mechanically when a tube size is changed. The probes were specially developed by TI and are smaller than any used before.

A complete experimental equipment has now been built comprising 90 transducers and associated electronics.

This challenging work is just one example of the many types of fundamental and applied research undertaken throughout TI—a £300 million group of over 100 companies producing both industrial and consumer goods.



1967 Coventry Gauge
1968 TI/DED
1969 Coventry Gauge
1970 Coventry Gauge
1970 Crane Packing
1971 Raleigh Industries



an advanced engineering group

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London SW1A 1DG. Please send me the
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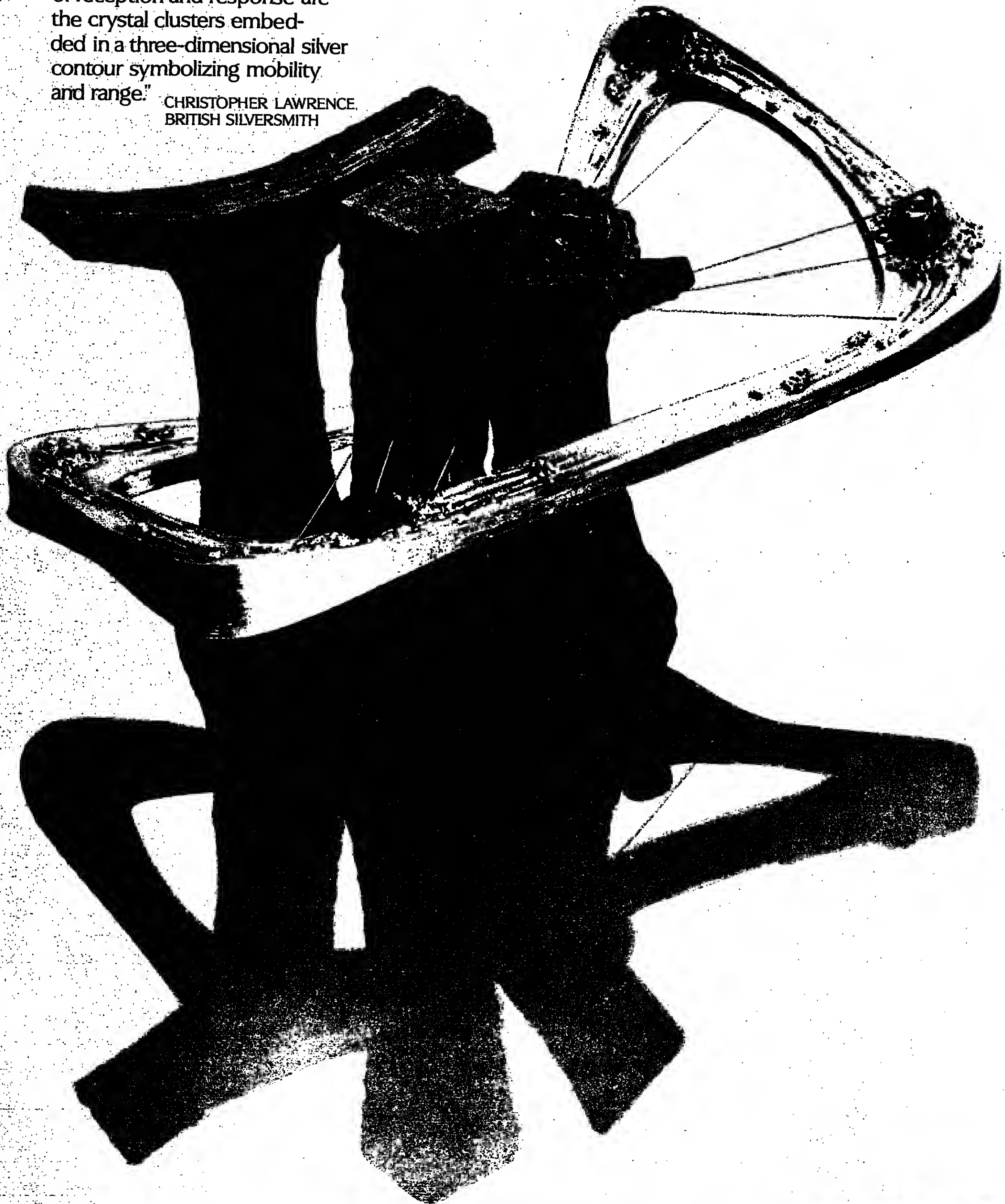
Name
Address

July 1971

"A mobile communication system provides a powerful voice that penetrates walls of isolation. In my sculpture, the concrete structure represents the central station which sends and receives a vital flow of messages—the golden wires. The satellite points of reception and response are the crystal clusters embedded in a three-dimensional silver contour symbolizing mobility and range."

CHRISTOPHER LAWRENCE,
BRITISH SILVERSMITH

If you need a two-way communication system that permits mobile staff to remain continuously in touch with base operations, come to ITT. British Rail did, for mainline terminal stations at Waterloo and Liverpool Street, and for all marshalling yards in the London Midland Region.



In Britain and 126 other countries, ITT provides products and services ranging from computer-based electronic telephone systems to home television sets. International Telephone and Telegraph Corporation. European Headquarters, ITT Europe Inc., Boulevard de l'Empereur 11, B-1000 Brussels, Belgium. In the UK, ITT telecommunications and electronics companies include: ITT KB; Standard Telecommunication Laboratories; ITT Semiconductors; ITT Creed; and, serving Britain's communications needs for 88 years

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Rockefeller proposes new approach to money crisis

MR. DAVID ROCKEFELLER, chairman of the Chase Manhattan Bank, proposed last night the establishment of an international commission to study "quietly and intensively" the long-range problems arising out of the current monetary crisis, while the Group of Ten leading industrial nations act to resolve immediate problems.

The New York banker also indicated that agreement on satisfactory realignment of exchange rates "might well include a modest change in the relationship between the dollar and gold."

Bickering

Speaking to the British National Committee of the International Chamber of Commerce, Mr. Rockefeller said he favoured creation of the international commission over a second "Bretton Woods" conference. A large international conference held at this time, Mr. Rockefeller suggested, "might become at best a debating contest, and at worst an arena of political bickering."

Instead, he proposed a new international commission to consider redefining official national currency values in terms of a new international central bank asset, perhaps Special Drawing Rights (SDRs), reforming the role of internationally created central bank reserve bank assets, and examining the

thoroughly the possible need for greater exchange rate flexibility, including advantages of widening or narrowing exchange rate margins.

Regarding a "new international currency," Mr. Rockefeller said: "There is a basic need for the world to begin moving away from both gold and the dollar standard toward a monetary system that will ensure all countries greater security and equilibrium."

He recommended that SDRs "be used not simply to supplement key currency reserves and gold but in the longer run to supplant them."

On exchange rates, Mr. Rockefeller said that coupled with the "modest change" in the dollar-gold relationship would be "assurance that nations are prepared to discuss seriously a broad restructuring of financial trade and defence mechanisms."

Along with this exchange rate realignment, "the U.S. should move to drop the import surcharge and the buy-American investment credit."

The first stage, he said, is "to restore order in the monetary system." The second is "to examine the

EXPORTS UP AT FORTH PORTS

Latest figures for the Forth ports covering the first nine months of the year show that total traffic at 9.8m tons is nearly 10m tons up on the same period last year, almost a 17 per cent increase. Petroleum products, coal, iron and steel, bauxite, fertilisers and beverages all show substantial increases.

Mr. Iain Parkin, marketing manager of the Forth Ports Authority, said exports were nearly 50 per cent up and there were indications that Scottish shippers were beginning to realise the advantages in service and convenience of trading through the Forth ports.

Feather sends MPs reminder of TUC's anti-Market line

MR. VIC FEATHER, TUC General Secretary, has written to all MPs reminding them of the TUC's opposition to Britain's entry into the Common Market on the negotiated terms and of the recent Congress resolution calling for a General Election before any final decision is taken.

The letter gives the following three major reasons for the TUC's policy: "First, from the end of the transitional period Britain will be contributing some 25 per cent of the Community budget and getting only 6 per cent back in return. This outcome is in our view wholly inequitable; it constitutes the central failure of the negotiations."

"This leads to the second problem—a balance of payments cost amounting to at least £500m each year. No spokesman has challenged this figure. A balance of payments burden of this order can only mean continued economic stagnation in Britain, thus driving industrial development to the Continent, with heavier unemployment in such areas as Scotland and the North East."

Mr. Feather adds: "The trade union movement therefore believes that entry on the negotiated terms would not be in the interests of trade unionists or the British people as a whole."

The TUC has also produced a leaflet on the Common Market for distribution by unions and local trades councils summarising the TUC's view as "better out than in on these terms."

Asking whether the British people want to pay the "huge price" of entry, Mr. Feather says: "Put it to the vote at a General Election now."

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Settlement euphoria in Salisbury

There is growing confidence in the Rhodesian capital that prospects for a settlement with Britain are now better than ever before. Yet some Rhodesians argue that the economic case for a settlement has been exaggerated. Tony Hawkins reporting from Salisbury, Wednesday

DESPITE the cautionary noises from London, it is firmly believed in Salisbury that Sir Alec Douglas-Home will visit Rhodesia next month and that prospects for a settlement of the six-year-old dispute are better than ever before.

Salisbury is thick with rumour not only about the timing of the Foreign Secretary's visit but also of British officials planning to reopen their High Commission office in the capital, foreign airline representatives intriguing about deals to restore Salisbury to their international scheduled, and Japanese trade missions also seeking offices in the city.

Terms

Admittedly, old Rhodesians who have lived through the UDI crisis and the subsequent abortive Tiger and Fearless conferences have heard all these stories before. This time, however, they are being taken a good deal more seriously, principally because it is felt that a Conservative Government is offering terms a good deal more palatable to White Rhodesians than the Tiger/Fearless formulae.

Indeed, the major newspaper group is so confident of the agreement that it has started work on a "Settlement Supplement."

British officials arrive in Salisbury on Thursday to continue the dialogue in search of a "completely watertight" situation before Sir Alec finally announces his plans to fly to Rhodesia. It is also felt a near certainty that Lord Goodman's portly figure will be seen in the streets of Salisbury again before Sir Alec arrives. In other words, it seems that there are still some important issues to be determined before the summit is held.

On the Rhodesia side, settlement euphoria has increased in the last few days following the Rhodesian Front Congress at which the threatened Right-wing rebellion failed (yet again) to materialise. There are various possible explanations for this. Perhaps the most convincing is that the rank and file of the ruling party do not believe that "good old Smith" would ever agree to a formula that smacked

of black rule in anything under 50 years. Then there are those who say that any agreement with Britain that Mr. Smith signs will—very obviously—be capable of major amendment later.

A third explanation is that, at this stage, there is no alternative to Ian Smith. A very powerful Right-wing element exists both within the Front and outside it, but at this moment it is leaderless. Further, it lacks real issues on which to attack the Government. A settlement based on black rule within a few decades "would be precisely the issue which the Right-wingers would seize to establish a new party."

It seems, however, that the Right-wingers need not worry unduly at this stage. The harsh fact—though Tory politicians will be anxious to play this down—is that Mr. Smith and his Cabinet are most unlikely to have been convinced over the past year that everything they have stood for since coming to power in 1965 is untenable and must now be replaced by a return to the Whitehead-Welensky policies of gradualism and elimination of racial discrimination.

In other words, if Mr. Smith is going to agree to a deal, he will do so with his eyes open—confident that either he or his successors will be able to redress the balance in later years, returning Rhodesia to the "true" path of white supremacy.

In the meantime, there is a softening up process under way. Businessmen will tell you how Ministers and senior officials are arguing privately that this time Rhodesia simply cannot afford not to settle, largely because of the very difficult and seemingly still deteriorating balance of payments position.

Businessmen shake their heads gloomily when discussing the currency allocations outlook for the next 12 months, while industrialists warn of falling levels of stocks and inventories.

Revised balance of payments figures for the first five years of UDI published last week show a broadly unsatisfactory situation. In only one of the five post-independence years (1969) did Rhodesia manage a surplus on current account, and this was only of the order of £2m. In the other four

years the cumulative current account deficit amounts to some £45m.

Admittedly, the post-UDI period has been characterised by substantial capital inflows (or net borrowing abroad). But as economists point out, this has not helped to ease the burden on the balance of payments in the form of loan servicing and repayment. Even when these capital inflows are taken into account, the overall external payments account since UDI is somewhat in deficit—though, to be fair, in the last two years there were surpluses on combined current and capital account.

Looking ahead, it is hard to see the current account position for 1971 being any better, and it could easily be significantly worse. This is so because of a larger volume of imports, higher import prices (partly due to rising freight costs, currency fluctuations in Japan and Western Europe and inflation in supplier countries), and lower export prices for commodities such as copper and nickel, in particular.

Furthermore, although exports have risen sharply from a trough of £111m in 1968 to £166m last year, they are still some 15 per cent below their 1965 pre-sanctions peak. On top of this, a further deterioration in Rhodesia's terms of trade seems probable this year.

Investment

The latest national accounts show that while capital investment has continued its upward trend, reaching nearly £100m last year—an increase of nearly 80 per cent on its 1965 pre-sanctions level—private sector investment actually declined last year (held back by the foreign currency shortage), while public sector investment rose nearly 40 per cent.

Again, this is a situation which is likely to continue because the public sector capital spending has a high import content. So long as it remains at a high level, private investment (and thereby job creation) has to be curtailed.

On the debit side, the net deficit on the balance of payments is likely to increase as releases are made from blocked funds to repatriate profits to the U.K., to service and redeem loans, and so on.

Overall, it is hard to see any dramatic improvement in the current account on the balance of payments. True, capital inflows might increase as might the influx of immigrants, but

there is a fairly well-defined limit to the number of migrants and the amount of capital that the economy can absorb without sparking inflationary forces and bringing on an unacceptable burden on the current account in the form of higher imports. Further, capital inflows reflect a longer-term liability.

Of course, there are important caveats here too. The key to the extent and nature of UDI financial assistance likely to be a part of any settlement is it is hard to see Britain agreeing to political terms which would spark an angry reaction both domestically and abroad, also being prepared to back up with generous financial assistance, other than the African education in general and secondary education in particular.

Good grounds. In other words, there is a fairly sound grounds for suggesting that the economic benefits of an agreement are unlikely to be anything like as great as frequently claimed. This will make selling the terms easier to an electorate persistently moving further to the Right. But the same man who claimed that UDI would be an economic success, can doubt—without any great loss of conscience—argue that settlement would spark a greater economic boom in a country has ever seen.

If analysis is right, the economic benefits (in short term at least) are not as attractive, one would think, as the propaganda of the Right. But the same man who claimed that UDI would be an economic success, can doubt—without any great loss of conscience—argue that settlement would spark a greater economic boom in a country has ever seen.

Perhaps the answer has to be seen as a combination of South African and Portuguese policy, sure, concern about the defence infrastructure (civilian military aircraft, transport equipment plant and machinery for industry, etc.) and above all the belief that the Tory leadership will be better able to offer anything offered previously likely to be offered again.

Natwest office for Tokyo

NATIONAL Westminster Bank is opening a representative office in Tokyo today. Bilingual English and Japanese staff will man the office, which is in the Marunouchi district.

The representative will be Mr. Dennis Woods, 46, a deputy chairman of National Westminster, said in Tokyo: "The progress of the Japanese economy and the growth of her international trade have been particularly notable. We in London have been tremendously impressed by the way in which the Japanese banks have kept pace with the economy and especially at the extent to which they have expanded their international operations."

WHITBREAD BOOK PRIZES AWARDED

Three authors were presented in London yesterday with the first £1,000 literary prizes awarded by Whitbread, the brewers. The biography award went to Michael Meyer, for his three-volume study, *Henry Jones*. Gerda Charles took the fiction award for her novel *The Destiny Waltz*. The poetry award went to Geoffrey Hill, of Leeds, for his *Mercian Hymns*.

Annual Statements—Continued

INCLEDON & LAMBERTS

The following are extracts from the annual statement of Mr. G. H. Incledon, at the 51st Annual General Meeting held on October 19th in London.

We are now well on with the building of the new factory for Lambert Bros. and are confident that there is a big future for this Company in the use of Plastics in the Industrial field. This move will provide increased space for Ansell Jones and Co. Ltd. who have had a very good year.

There is much optimism over the future of Durapipe and Fittings Ltd. The Company is taking full advantage of the progress being made by the manufacturers of the raw materials to produce pipes and fittings out of new materials which are opening up an ever-increasing field of opportunity to compete with conventional metals, and we are now making tools for the manufacture of pipes and fittings to metric standards.

So far as prospects for the current year are concerned, the provisional figures for the six months to 30th September last show a profit of £200,378. While it is too early to say what will happen in the next six months, I think it not unreasonable, at this stage, to forecast a substantial increase in profits for 1971-72, compared with the previous year.

DTI's first year—Davies

THIS WEEK'S issue of "Trade and Industry" carries a message from Mr. John Davies, Secretary for Trade and Industry, on the first anniversary of the establishment of his Department. He writes: "The DTI's objective, set in last October's White Paper, is to help British industry and commerce improve their economic and technological strength and competitiveness. Given these guidelines two consequences follow. First, whatever the pressures, in day-to-day decisions we must go for viable solutions. We cannot afford short-term expedients liable to lead to worse trouble for workers, firms or whole regions once the next corner is turned."

"Second, we must get major policies right. They must be based on thorough research. At the same time, they must be such as to liberate energies in the private and public sectors, so that the expansion in developing industry can be a prelude to a new era of fast economic growth."

"At the end of its first year the Department has many achievements to its credit. But if, as things, greater importance attach to our preparations for the next phase. We have been busy with a whole range of major reviews. These include reviews of the nationalised industries and their financing, space, competition policy, consumer protection and company law. In the DTI's second year these policies will start to bear fruit."

HALWINS LIMITED

Ladies', Children's and Men's Wear by Mail Order

15 months to 30th June 1971

Year to 28th February 1970

Sales £3,194,366 £1,549,558

Group pre-tax profit £342,193 £226,060

Group profit after taxation £210,020 £124,457

Dividend 80% 55%

Retained profit £161,396 £92,104

*equivalent annual rate—60%

Extracts from the circulated statement of the Chairman, Mr. H. J. Gower:

Profits for the last six months were adversely affected by the postal strike.

We are now issuing two main catalogues per year—one for Spring/Summer, the other for Autumn/Winter. This change in policy has enabled us to offer a wider selection of goods and customer reaction is very satisfactory.

Warehouse capacity has been increased—we are now utilising 90,000 square feet and, in addition, there is planning permission for a further 150,000 square feet. A pilot scheme and carry operation is proposed from another warehouse.

Prospects for the current year are bright. The Directors expect to be able to recommend a dividend of at least 30% for the current year—the equivalent annual rate of 60% adjusted for the proposed one for one scrip issue.

ZETTERS POOLS LIMITED

RESULTS The following are the audited results of the Group for the year ended 31st March, 1971:—

Turnover (excludes Pools Betting Tax and payments to winners) £1,182,975 £1,112,721

Profit before taxation 151,169 123,700

Taxation 57,915 50,000

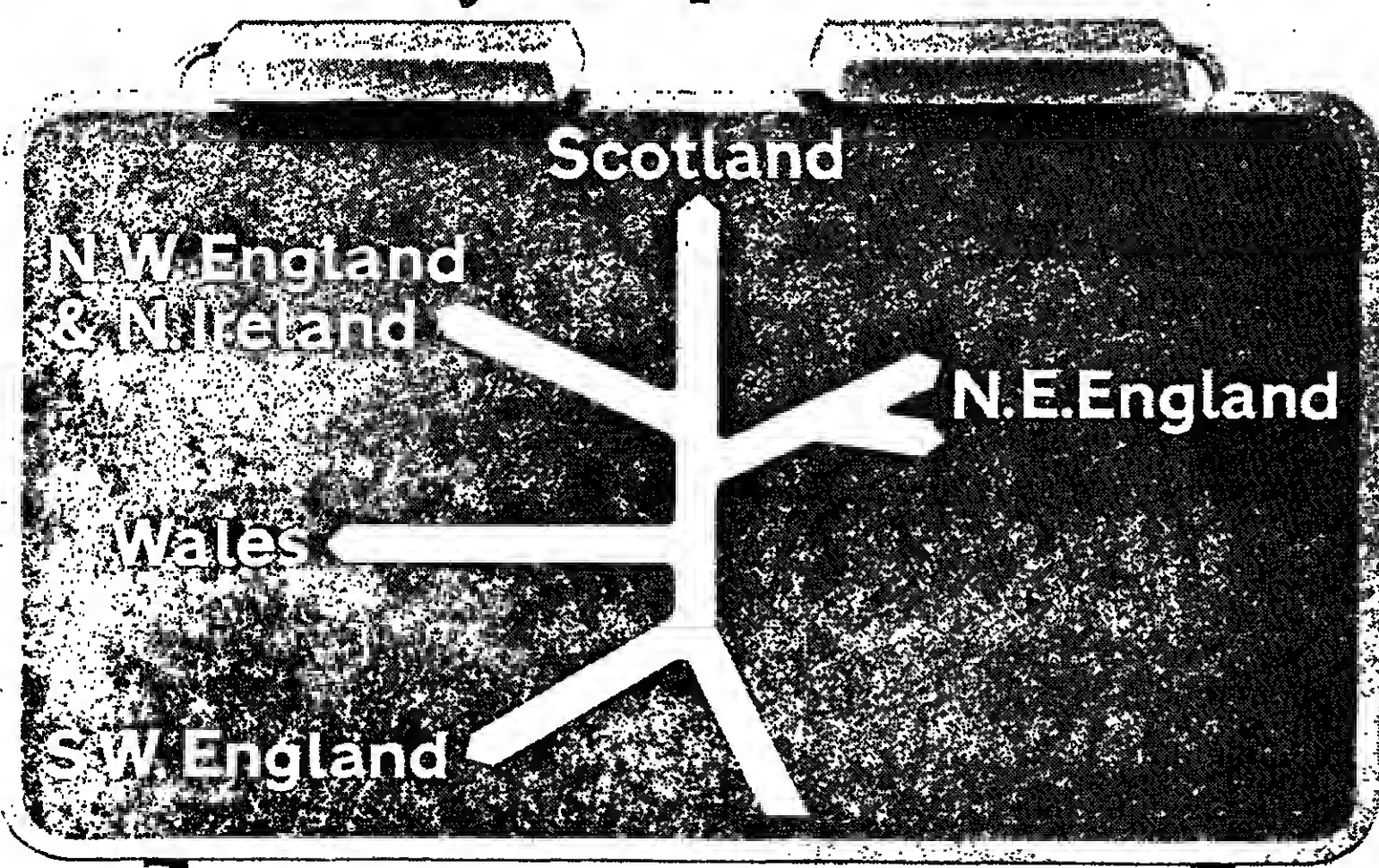
Profit after taxation £ 93,244 £ 73,700

DIVIDENDS The directors recommend a final dividend of 20% (1970 17½%).

CHANGE OF NAME With diversified activities now contributing substantially to group profits, it has been decided that a change of name to ZETTERS GROUP LIMITED would be appropriate.

THE FUTURE Both pools and bingo have made an excellent start to the year and subject to no abnormal events we look forward confidently to record new profits.

Today the Areas for Expansion are just up the road



If you think that the Areas for Expansion are at the back of beyond, you need to catch up with the new situation created by transport developments in recent years. For example—Glasgow, Newcastle, Cardiff and Liverpool are now all within easy reach of London by motorway or Inter-City rail services. Just check the journey times.

So a separate works in one of these Areas need not mean managers being away from their normal bases for long spells nor problems in supplying customers promptly. These Areas consist of the Development Areas, the Special Development Areas, the Intermediate Areas and Northern Ireland.

Freightliner services, roll-on and roll-off shipping and container services have also transformed the movement of goods to and from the Areas for Expansion—and the less congested local roads which link them to the

motorways, railways, seaports and airports give a further advantage.

Other benefits to be gained from these Areas include plenty of room to expand, readily available labour and cash grants. With so many incentives your company could be well placed to achieve its aims for future growth—just by moving up the road.

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London Metal Exchange

FINANCIAL TIMES SURVEY

Depressed conditions limit progress

by JOHN EDWARDS

The past year has not exactly been one of achievement for the London Metal Exchange. Mirror-glass, as always, the state of the world's non-ferrous metals market, prices on the Exchange have been acutely depressed, and have risen to record levels and business has been brisk.

There has been much talk about possible new markets, and changes in existing contracts for a silver market in particular, so far it has been just talk. The Metal Exchange committee is applied to the Bank of England for permission to start an aluminium futures market, but it is still far from certain that an aluminium contract will be introduced. Although theoretically aluminium is a "natural" for the Metal Exchange, as the biggest added non-ferrous metal in tonnage terms, there are formidable problems to be overcome in establishing a futures market. First, and foremost, is the insurmountable opposition of the producers, much smaller in number than with most other metals and consequently exercising much more control over world supplies.

Hostile attitude

A strong physically based futures market of the kind that the LME has established so well for copper must have an assured supply of aluminium. It is to succeed, and the hostile attitude of the producers would mean having to rely only on some East European aluminium can fulfil a useful role. With the relative failure of the LME silver market so far, the Exchange's reputation could not stand a "flop."

Even less promising are the prospects for other new markets, such as nickel or the minor metals. The New York nickel futures market, started last year, has not proved a success. The LME might well be able to establish a better nickel market, but the producers are sufficiently dominant to oppose anyone else trying to decide prices. The lack of volume and difficulty in establishing agreed quality standards also makes viable markets in minor metals unlikely.

Pricing basis

Balked in expanding into new areas, the LME is facing some threats to its established markets. The steep decline in prices of lead, for example, has triggered off moves by certain primary lead producers to introduce a fixed producer price to replace the LME settlement quotation as a pricing basis. It is argued that the LME lead values have been artificially depressed by the surplus of supplies dumped on the market by secondary lead refiners, whose costs are totally different from primary mine producers. There is little doubt that most lead producers, who have already successfully established a fixed quotation for zinc, would like to do the same for lead, but the huge importance of uncontrollable scrap lead is likely to undermine any producer price, as happened with copper. Nevertheless, although a producer quotation may not be practicable, there is a strong desire to get away from LME quoted prices, which

may be translated into some sort of action in the future. The same applies to copper. The lower prices go—and the surplus of supplies seems likely to last for some time yet—the more producers, especially the developing countries, seek ways to establish a reasonable, economic, steady price not subject to the violent day-to-day fluctuations often caused by technical market considerations or speculative coups. At the moment the Council of Copper Exporting Countries (Cipec) appears to be in disarray, with little agreement among its members on what action to take, if any, for stabilising prices. But low prices are a powerful inducement for agreement, so some new way of controlling copper values cannot finally be ruled out.

With the International Tin Council exercising overall control on the tin market, and an established producer price for zinc, any moves to lessen the importance of the copper and lead Exchange markets would have serious consequences on the future prosperity of the LME. One of the major criticisms of the Exchange is that speculators play too important a part in deciding the price that industry has to pay for its metals. In the present conditions of poor demand, when industry trading is at a low ebb, the Exchange is especially vulnerable to speculators assuming a more dominant role since they are providing the bulk of business at times. It is significant that the New York copper market, very much dominated by speculators, is at present tending to call the tune



The Ring of the Exchange.

members (that is companies allowed to trade in the ring). Although the rule that only U.K. companies can actually be ring-dealing members still applies, the LME is well aware that on some occasions U.K. companies are formed solely to enable an overseas parent company to trade in the ring. Two recent members are West German and U.S. controlled companies, and shortly the first Japanese-owned subsidiary is expected to be approved for ring-dealing membership. A big Canadian producer—formerly an implacable critic of the LME—has also acquired a 50 per cent stake in one of the leading broking companies.

The increasingly international nature of the Metal Exchange is an important part of its future development. Delivery depots in Japan, Australia and the U.S. are one suggested future development to broaden the scope of trading on a world basis, for example.

EEC controls

The need to expand internationally is all the more important at present with Britain's likely entry into the EEC. Because of the EEC controls on imports of various metals, including lead and zinc in particular, there could be considerable difficulties over the operation of the LME warehouse system. At the moment the U.K. delivery points provide a loophole, for example, to overcome the EEC restrictions on imports of lead and zinc from Eastern European countries, with which it has special trading agreements, but as a member of the enlarged Community Britain would be subject to the same restrictions and possible import quota controls.

Negotiations are going on with Brussels to find an acceptable formula to retain the Metal Exchange's unique standing in the world's non-ferrous metal trade. But stronger links with countries outside the EEC as well may be vital to ensure the LME can continue to play a world role in the years ahead.

of London prices, and there is no doubt that the speculative market, whose distinguishing feature is its close involvement with the day-to-day activities of the physical metals trade, influence prices. It reached such a stage in June that the LME committee felt constrained to issue a special warning to its members about the dangers of excessive speculation harming the long-term interests of the market, whose distinguishing feature is its close involvement with the day-to-day activities of the physical metals trade. In fact the warning was not so much aimed at the LME members, who are well aware of the situation but hardly likely to turn away business during these depressed times, but to provide a public assurance to producers and consumers that the LME was worried about the activities of speculators and would take action to curb them if the situation got out of hand. One way in which the scope of the Exchange is being broadened and strengthened is the addition of new ring-dealing

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LONDON METAL EXCHANGE III

Prices remain low

On this and the next page JOHN EDWARDS outlines the current supply and demand situation for the metals traded on the Exchange.

ZINC

Zinc is one of the few base metals whose price has actually risen in the past 18 months. This is not because zinc has not suffered like the rest from depressed demand and surplus supplies, but because its price is fixed by producers, who to a certain extent are able to defy the free market trends. In fact zinc was one of the first metals to be hit by the recession in the U.S. economy, and a further body blow was administered by the General Motors strike at the end of 1970. In the U.S., particularly, where zinc is used much more by the car industry than in Europe, consumption is very sensitive to industrial conditions generally and is a good indicator of the likely future trends for other metals. However, although zinc prices have shown definite signs of firming in recent months, and surplus stocks are falling rapidly, this has been caused more by severe cutbacks in production both in America and Europe, which are now beginning to have an effect.

The cutbacks started in the U.S., where stocks of zinc built up to alarming levels despite several price reductions. Producers argued that it was better to reduce production rather than continue output at uneconomic levels, but for a time they were doing both until stockpiling in front of the threatened U.S. steel strike, which was later averted, relieved the pressure by bringing a temporary surge in demand.

Production cutbacks

Outside the U.S. a decline in price, following the example set by U.S. producers, was only avoided by a series of production cutbacks started in 1970 and intensified in early 1971 when the General Motors strike completely demoralised the market. With many smelters selling at discounts well below the fixed producer quotation of the time, and producers generally suffering heavy losses, it was felt that a price cut simply could not be afforded however

it might have been justified by circumstances. In the event the producers' decision to hold on was a wise one. By May production had been cut sufficiently to remove much of the surplus and the producers were able to raise their fixed quotation from £127.95 to £150 a metric ton—the first rise for about 18 months, a period when costs of production had increased dramatically.

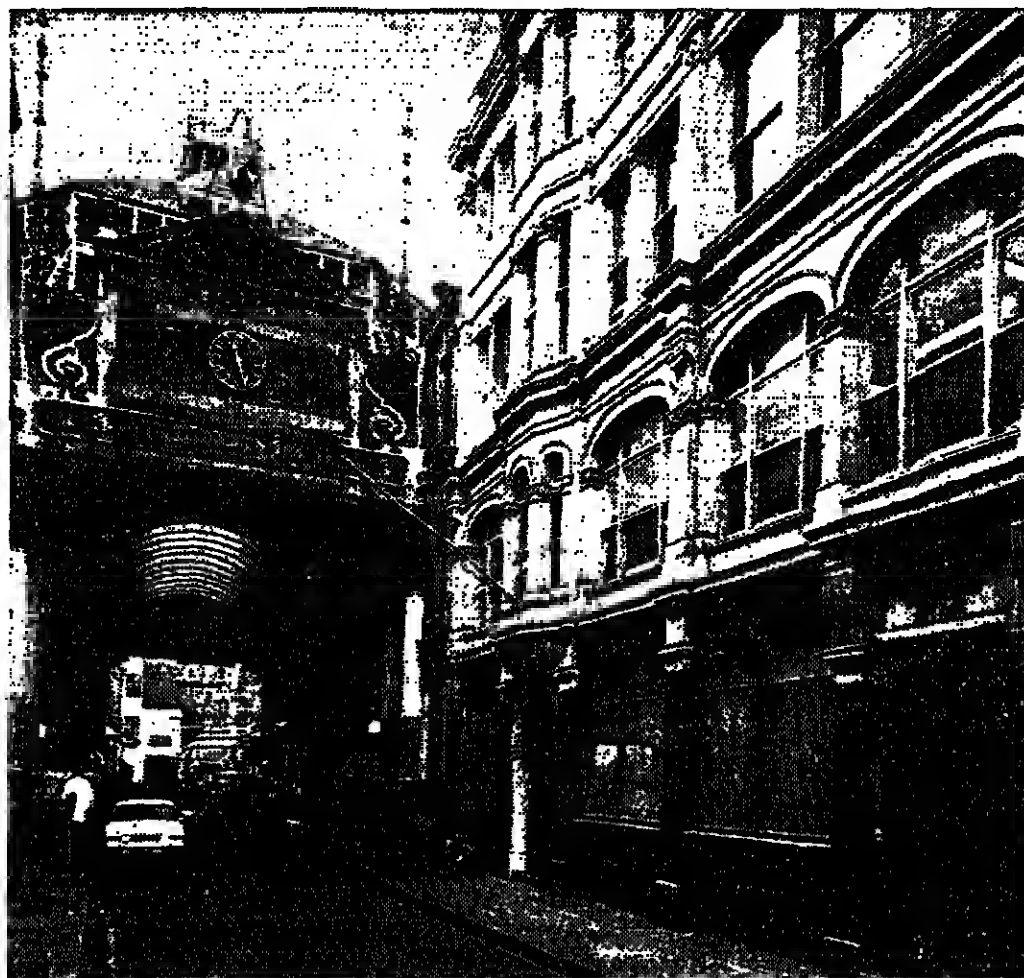
Even with the big increase in price, some producers feel that an uneconomic price is being charged and that they are still suffering from a desire to stabilise the market that meant not taking full advantage of the boom period in 1968/69. Be that as it may, the fact is that the new price of £150 a ton is being heavily discounted on the Continent, and at one time the LME cash quotation was as low as £120 a ton—an unheard of discount of £30 a ton. LME values have recently come shooting up, with the revival of some demand and delay in shipments of fresh supplies to LME warehouses, but "free" zinc is still available at a considerable discount to the fixed producer quotation.

One of the problems confronting the LME market is that, because of the different charges

made by Continental ports compared with Britain, the bulk of the zinc stocks has found its way to the Rotterdam warehouse, where it is cheaper to put zinc in but more expensive to take it out.

Since it is "seller's option" in LME dealings, any buyer is faced with having to take delivery from the Rotterdam warehouse, so the price he is willing to pay must take into account the high cost of removing and transporting it. An additional complication is that the European Common Market not only has quotas limiting the amount of its total zinc imports but also has special restrictions on supplies from Eastern European countries with which it has specific trade agreements. Although there is believed to be unsatisfied demand, especially on the Continent, for some higher quality grades of zinc, there does not appear to be any great improvement in consumption generally. Indeed the consumption figures still make gloomy reading.

However, once consumption does start to pick up, the sharp cutbacks in production, with many plants closed down never to open again, could well mean that a shortage of zinc could develop temporarily at least in the not too distant future and the producers' hopes of higher prices be realised.



The Exchange has been established in its present premises in Whittington Avenue at the entrance to Leadenhall Market since 1882.

LEAD

A bid by some primary lead producers recently to try to introduce a fixed producer price, instead of basing prices on the London Metal Exchange cash quotation, is ample evidence of the depressed state of the market at present. Lead prices on the LME are at the lowest level for some four years or so, and lead, at £90 a ton, has lost a good deal of ground to its sister metal zinc, at £150 a ton, bearing in mind that in the past lead has often been more expensive than zinc.

Consumption of lead has not been hit as hard as other metals by the general economic malaise, however. Its main outlet is in batteries, which are constantly required in cars, for example, whether the car is old or new.

But, on the present pricing method, only a small surplus is required to depress the market, and there have been sufficient supplies available, especially from secondary refiners, to overwhelm the support buying efforts of producers to keep the market in the years ahead. It is true that the anti-pollution policy generally has been at a surprisingly high level, with the coming on stream of the big

Minnesota plant in the U.S. boosting American output in particular. Lead refining is less expensive in investment terms than that for zinc, so the cost pressure forcing cutbacks in output has not been so great.

Future threatened

At the same time lead has been depressed by the threat to its future posed by the anti-pollution moves in the U.S. and elsewhere aimed at removing lead additives from petrol. The anti-knock compounds represent total lead sales, but they are a far bigger percentage in the U.S. In addition petrol is one of the few outlets for lead where there is virtually no scrap recovery and mainly the top quality grades are used.

Argue as they may that lead is being unfairly labelled as the pollution villain, most producers are now resigned to losing a big proportion of this valuable market in the years ahead. It is true that the anti-pollution policy may also bring increased demand for lead in batteries, but the high scrap recovery pos-

sible from batteries means that the scrap industry and secondary refiners are likely to benefit most from this, not the primary producers. It is the "distorting" of the LME price by secondary supplies, which have a different cost structure to primary output, that is the chief motive behind moves by producers to establish a fixed quotation. However, the presence of an ever-increasing pool of uncontrollable scrap supplies has made other producers' opposition to a fixed quotation unworkable, and this attitude now seems likely to win the day.

Britain's likely entry into the Common Market, with the possible problems over import quotas and warehouse deliveries, may give the producers an opportunity to try to introduce some new pricing structure. In the meantime, however, they will just have to wait for the natural steady growth in consumption of lead to catch up again with supplies, slowed down by the low prices. With the anti-knock petrol market in the balance, however, it could be a long wait before there is another booming lead market.

TIN

A steady decline has taken tin prices to the lowest level since April, 1969, recently and fairly close to the "floor" of £1,350 a ton fixed under the International Tin Agreement. In fact the present cash price of around £1,400 a ton is only being sustained by support buying by the buffer stock of the International Tin Agreement, but it has plenty of resources at its disposal to prevent any further erosion in values. At last week's meeting of the International Tin Council authority was given to call up further instalments of the total contribution of the cash equivalent of 20,000 tons of tin pledged by the producing countries to finance the buffer stock. An initial contribution of 7,500 tons of tin was made at the start of the Fourth Tin Agreement in July, but a big proportion of this was spent immediately on buying up the 2,662 tons carried over by the buffer stock from the Third Agreement at the current price then of around £1,440 a ton. Since then the buffer stock has had to buy a fair amount to hold prices just above £1,400. It, therefore, makes sense that the second contribution of 7,500 tons should be easily available if required.

Buffer stock

For the producing countries, most of whom are developing areas, the financing of the buffer stock has been made much easier by the agreement of the International Monetary Fund to advance the necessary funds. At the same time an important change in the Fourth Agreement is that the buffer stock is now allowed to operate (that is buy and sell) in the lower and upper price ranges where previously it was allowed either only to buy in the lower sector or sell in the upper sector. This means that the buffer stock does not need to worry about over-supporting the market by buying up too much, because it can now dispose of surplus holdings back onto the market without having to wait for prices to rise to the upper sector.

At the moment the supply/demand position for tin seems to be fairly evenly balanced with a slight surplus as a result of consumption being at a low level, especially in the U.S. where tinplate is losing ground to rival materials and industrial activity is depressed.

As a result for the moment at least the producing countries have been unable to press their case for another rise in the tin price ranges under the Agreement. Continued on next page

EEC entry — (Cont'd)

Continued from previous page position to bring further instability to the market.

Though not strictly speaking, directly an effect of our likely entry into the EEC, value added tax ought to be taken into this particular reckoning. Its advent is undoubtedly with EEC membership and subsequent harmonisation in mind. Here, from be standpoint of the LME, much new ground has had to be broken. While various continental countries have operated VAT for some time, none of them possesses a market remotely comparable to the LME, and the impact of the tax on the Exchange has to be considered as something without precedent. In a sense, to be able thus to start from scratch rather than be faced with a problem of adaptation, has been

an advantage to those on the management of the LME who have been studying the matter. A complete exercise has been undertaken, and the effect of various possible alternative VAT arrangements worked out over the whole range of LME activities.

Through the British Federation of Commodity Associations and the British Non-Ferrous Metals Federation, who have themselves been conducting investigations on behalf of their members, we have kept abreast not only of the thinking of other commodity markets, but of that of producers and consumers dealing through the LME. Representatives of HM Customs and Excise, who are to administer the tax, have been consulted and have proved to be extremely helpful and constructive in their approach. All whatever steps are necessary on in all, the introduction of this entry.

Notwithstanding the introduction of VAT, the acceptance of Common Market tariffs on lead and zinc, or any other consequences of Britain's entry, the prime functions of the LME have to be carried on without distortion or limitation.

Other areas

Thus, as a physical market, a medium for hedging physical contracts and an impartial indicator of prices, the Exchange must continue to operate as freely as before. There is no insuperable obstacle to this entailed in our entering the Community. Indeed, there may well prove to be consequential advantages to all concerned, with the LME bridging the gap between the EEC merchants and consumers and the producers and merchants in other areas to a fuller extent than we have previously known.

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LONDON METAL EXCHANGE IV

COPPER

Prices at the lowest level for four years, and stocks in the London Metal Exchange warehouses at record levels, summarise the present state of the copper market. Surplus supplies caused by rising production meeting extremely depressed demand has steadily forced values down and down, even though there have been brief periods of price upsurges.

The failure of the U.S. economy to revive, which has depressed industrial demand for metals all over the world has been the underlying factor throughout the past year. There were predictions at the end of 1970 that 1971, or at least the second half of 1971, would be the time for recovery after the decline of consumption in 1970. But these optimistic hopes have not been fulfilled so far, September, and only an estimated 150,000 short tons of mine output were lost, although supplies of copper are likely to be tight until 1973 are looking the last until 1973 are looking the more likely to be correct.

One big uncertainty about was future supplies removed was the agreement of new three-year labour contracts for the U.S. copper workers. When the contracts previously expired in 1967, an 8½-month strike in the U.S. copper industry upset the supply-demand balance for several years. But on this occasion it came as a considerable shock even when the U.S. copper workers actually decided to stop work at the expiration of their contracts at the end of June, since the main union involved had already agreed terms with aluminium and canning workers.

Copper dispute

In fact the U.S. copper workers' strike did not last long, although some disputes were not finally settled until the end of September, and only an estimated 150,000 short tons of mine output were lost, although supplies of copper are likely to be tight until 1973 are looking the last until 1973 are looking the more likely to be correct.

There were no other major strikes, but the expected huge increase in Chilean output failed to materialise. The nationalisation of the Chile mines, previously owned by U.S. companies, caused considerable disruption, with an exodus of the top technical and management staff. Other technical troubles and natural causes, including an earthquake, meant that Chile found difficulty in fulfilling some rather optimistic forward sales made at the end of 1970.

Zambian copper output was also cut by the much reduced production at the big Mufulira mine as a result of the mudslide there at the end of 1969. Peruvian mines were hit by a series of strikes which seriously disrupted production for several months. In Japan there was a deliberate cutback by the copper smelters to avoid the steady build-up in surplus stocks caused by sluggish domestic

demand and the difficulty of selling them on outside markets without forcing world prices even lower.

Scrap output in the main consuming areas was down in line with the general decrease in industrial activity. But overriding all these declines in supply was the continued depression in industrial demand throughout the Western world and also apparently in the Communist bloc, with China as only an intermittent buyer.

Stocks build-up

The build-up in the LME warehouse stocks to a record total of over 128,000 tons illustrates the policy of consumers keeping their stocks at low levels and relying on band-to-mouth purchases for any residual supplies that might be required.

There are some faint signs that the long-awaited recovery in the U.S. economy is not too far away now, although a settlement of the present uncertain currency rates and removal of the U.S. imports surcharge will be needed to bring any substantial recovery in world copper values.

Now that the U.S. strike is over, there is every likelihood of increased world copper output next year, with production in Canada, Australia and the Congo in particular going ahead and plans to bring the giant Bougainville mine in Papua/New Guinea on stream next year.

But the present low prices, as well as encouraging demand, could well prove a deterrent to expanding production in view of the steadily rising costs of mining, especially in the U.S. where the cost of the huge wage settlement and some comprehensive anti-pollution controls will have to be met by companies already charging a fixed price well above world values.

If uneconomic prices continue to prevail the Council of the Copper Exporting Countries (Cipec) may also be persuaded to resolve the disagreements among its member countries on what steps to take to lift prices. However, basically there is no substitute for genuine consumer demand, and until this arrives, with a consequent lowering in the LME warehouse stocks, prices are not likely to show any sustained recovery.

SILVER

Nothing it seems will end the decline in silver prices. The collapse in values has now taken the market down to the level of four and a half years ago when the U.S. Treasury finally stopped selling silver at a fixed price of 129.3 cents a troy ounce and allowed a free market to develop.

In the post-devaluation sterling era in 1968, silver values reached a high of 110p an ounce: now the cash quotation is fighting to stay above 53p. The final collapse in values came during September this year when the currency crisis, triggered off by the virtual devaluation of the U.S. dollar, gave final proof that silver was no longer a sound investment for money to be protected against any changes in international exchange rates.

U.S. investors in particular were very disillusioned when silver prices, instead of rising

during the currency crisis, fell steadily; clear evidence that silver can no longer be considered as a monetary metal but is simply a commodity subject to the normal supply and demand influences.

Boom period

However, it was the basic supply-demand situation of silver that encouraged much of the investment in it during the boom period in 1968, when huge speculative stocks were built up. It was believed that the big deficit of new output against consumption would inevitably force prices up in the years ahead, with the need to rely on stocks more and more to fill the supply gap. This situation still applies, but not taken into account was the setback in consumption suffered during the past two years as a result of the industrial slow-down generally and improved techniques in recovering silver previously used.

The lack of demand, even after the U.S. Treasury stopped making its weekly sales last November, has proved a considerable disappointment to investors hoping that their stocks would rise in value as consumers were forced to come to the market for their requirements.

As a result investors, faced with a considerable loss on their holdings, eventually ran out of patience and decided to sell out, especially when the currency crisis proved such a disappointment in raising prices. Once the decline started it quickly gathered pace as the losses faced by stockholders mounted in volume. In addition "short" selling by speculators, taking advantage of the situation and

the contango (that is, the forward price being higher than the cash quotation), has accelerated the downward trend. After so many disappointments it is difficult to state with any great authority whether prices have finally reached the bottom or not. Theoretically a "floor" is provided by the legal requirement that the U.S. Treasury must buy up at \$1.29 an ounce any new domestically mined silver offered it. But this provision only applies to newly produced U.S. silver, which although an important source of supply, is still only a small percentage of output from elsewhere and the huge stocks built up over the centuries in silver coinage and jewellery.

With these huge stocks, looking in the background, confidence in the future is very much the decisive factor in the silver market. Much of the world's silver comes as a by-product from the mining of other metals like copper, lead and zinc, so the price pattern has little direct impact on the size of output. On the other hand consumption of silver is sensitive to price, especially at the higher levels where the moves to search for substitutes are intensified. At these low prices the urgency to find a replacement for silver used in photography is not great, but the hunt would undoubtedly be renewed if values went up sharply.

Rise unlikely

For the moment a steep rise in silver price seems unlikely to say the least, with so many disillusioned investors still waiting for the moment to cut their losses, but once a steady upward trend does develop and the weaker speculators are eliminated, the market could take off.

The continually falling prices have not been the best conditions for establishing a successful silver market on the London Metal Exchange, since a "bear" market is not much of an attraction to speculators. The awkward seven month contract, agreed as a compromise, does not help either.

Changes in the LME contract to extend it to 13 months ahead, like the New York market, have been discussed for some time and would certainly help to boost activity. However, it is unlikely to be a real success until silver prices start to rise again.

TIN (CONT'D.)

Continued from previous page ment, although pressure for an increase is building up.

The producers argue that since the last rise in the price range levels last October, which was the first increase for four years, tin mining costs have continued to escalate rapidly. It was hoped that a new Agreement would also see new price ranges, but the consumers are at present in no mood to talk about paying more for their tin.

The new Agreement, which came into force on July 1, is stronger than its predecessor in that the consumer membership has been expanded to include Russia and West Germany, two important additions to the influence of the Tin Council. The only significant non-member left now is the U.S., which is the world's biggest consumer of tin, holding in addition a huge strategic stockpile that remains a constant threat to the stability of the world tin market. It was hoped that the entry of Russia into the Tin Agreement might persuade the U.S. to join too in controlling the destiny of one of the few metals in which it has to rely solely on imports. But the U.S. Congress has a natural antipathy to joining commodity pacts and would be averse to

passing over control of its stockpile to the International Tin Council.

Instead there is close co-operation between the Tin Council and the U.S. Government, particularly over the disposal of surpluses from the strategic stockpile. Although on occasions the market has been upset by U.S. moves to offer for sale the 20,000 tons or so declared surplus to the stockpile requirements it is generally accepted that the U.S. has adopted a very responsible and sympathetic attitude to the producing countries' problems. Nevertheless, the stockpile remains as a potential threat to undo the Tin Council's work.

As with the other metals, the immediate future of tin prices depends very much on how quickly a revival in the U.S. economy brings a recovery in demand world-wide. It seems likely that this year will see a small surplus of supplies over demand for the second year running, so the surplus in the U.S. stockpile will not be needed to fill the gap as happened in the 1960s. But the balance is so fine that it could be quickly changed if consumption quickens and the low price levels discourage production any more.



The Committee of the Exchange in session. Seated, left to right: A. W. Yates, N. M. Clark, M. L. Connor, R. D. Gee (Vice-Chairman), F. F. Wolff (Chairman), A. G. W. Proctor, A. H. Inchley, and I. E. J. Foster. Standing: J. R. T. Gibson-Jarvis (LME Liaison Officer), R. A. Edwards (Assistant Secretary), and R. K. Millet (Secretary). Other Committee members: C. R. Carpenter, W. R. Miller, R. H. Montgomerie, and R. A. Pearson.

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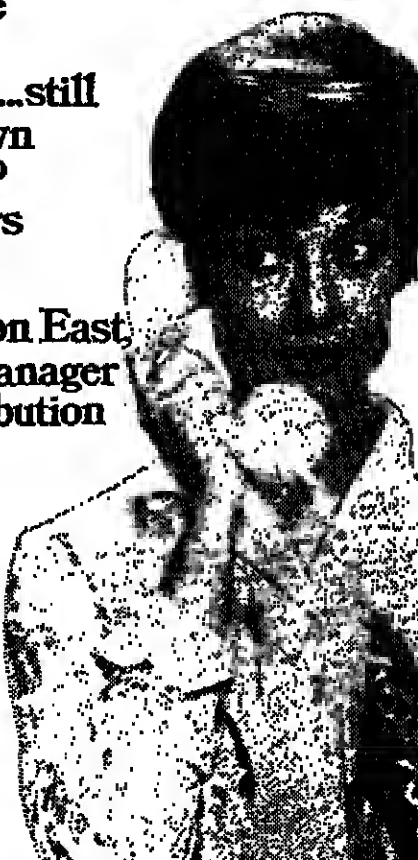
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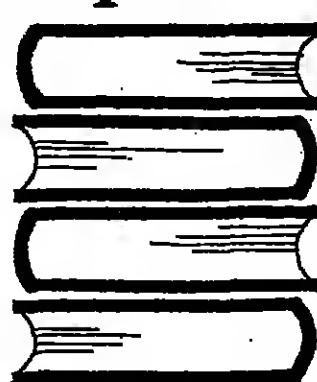
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Advertising and ...

Get medals at Cleveland

TO-MORROW a new twist in petroleum coin promotions comes from Cleveland. On 2,000 of its major garage sites motorists will be able to pick up reproductions of British army campaign medals. There are 16 in the set and to prevent outraged letters from old soldiers who won medals for gallantry the Cleveland medals will represent campaigns fought by the army between 1793-1945.

Research suggests that there is considerable interest in things historical and Cleveland hopes this promotion will also appeal to girls. To sweeten the garage owners there is a campaign brochure which they can sell at a profit for 20p.

Cleveland, with just under 5 per cent of the petrol market, arranges to make its sales drives in the autumn when the major campaigns are drawing to an end. However there will be £100,000 in "TV support from tomorrow and marketing consultants Astral is looking for around the 10 per cent increase in sales achieved in the last Cleveland promotion which featured model footballers—as did the simultaneous promotion from competitor Tetra. This time it hopes to have the field to itself.



MARK MALEY

The pub goes global

BY ANTHONY THORNCROFT

First steps in Europe

COMPANIES are suddenly alive to the fact that they need to know something about the European markets for their goods. But how to discover the right way to sell typewriter ribbons in Italy? What sort of price to fix, what sort of retail outlet, what sort of competition, what sort of media for advertising?

Not surprisingly companies are being formed which aim to provide facts about markets. The latest is European Marketing Information Service, set up by the Osborne Group. It will handle queries for a quoted fee using desk research and its contacts, abroad. No task is likely to cost more than £1,000; many less than a hundred. Competitors to agency clients need not apply. The need for such a service was indicated by D. Powell Jones who directs the company.

"How many people knew that in Sweden paint sheeps sell cosmetics?" he says. Se whether its pencils in Spain or plastic ducks in Belgium the Information Service should be some help with the data.

● Young and Rubicam Inc., with world-wide billings of \$622m. last year, is to change its name to Young and Rubicam International Inc. from January 1.

One reason for the change is that by the end of the decade the agency expects over 50 per cent of its activity to be outside the U.S.

IN DECEMBER a nice old-fashioned Victorian-type pub, the Cockney Pride, will throw open its doors—in Chicago. It will be the latest of a throng of British pubs that are cropping up throughout the world. About 70 per cent of them come from Ayala Designs, which was asked to produce a pub for the British Week in Tel Aviv in 1966 and has net leaked back since.

There are now 80 Ayala designed and manufactured pubs and restaurants open for business. The latest, the Golden Hind, was part of this month's British Week in San Francisco and as seen as that finished the pub was snapped up by a local restaurateur for replanting elsewhere in California. For in its first nine days it sold almost 3,000 pints of beer and took \$8,000 daily.

But Ayala's chief executive, Mark Maley, who came from Bass International last year, does not want to be limited to pubs. "We sell atmosphere," he says and to prove the point has just produced a Russian restaurant for Sweden, complete with bear skins and pictures of Rasputin. Ayala does everything. It makes the pub or restaurant, transports it and erects it.

Customers for the pubs prefer "the exaggerated styles of British architecture," and in the company's sales office at Ickenham you can have a pint of draught beer from an exact Norwich.

replica of the ornate red plushness of an Edwardian pub or move next door to an old-world Tudor bar. But Ayala will create any brand of nostalgia—it is currently working on a meter like pub for Paris and is rather bemused by the assignment.

Some of the effects—the horse brasses, the muskets, the chandeliers and prints—are originals, but if Maley cannot buy the real thing, or if they are too costly, the factory at Stowmarket will make them.

There is a heavy demand for British "atmosphere." Turnover is already over the £500,000 mark and the commissions are rolling in, at prices ranging from £3,500 to £70,000. And Maley has a certain winner for the Christmas trade—a bar which can be installed in the home for about £800.

At the start, Ayala worked closely with the brewers, particularly Watneys, Bass and Allied, who are energetically expanding abroad. New it tips the wink to the brewers if an American catering chain buys a pub. Maley obviously wants to progress beyond pubs. Restaurants are the next stage, but the company is already designing chalets for Turkey, and there may eventually be a market for reproductions of complete Regency shopping arcades. And although the activity is currently overseas the company has already produced one pub for Watneys in

Manchester comes to London

By Teny Dakin

TO-DAY, a new advertising agency—Yeoward Taylor and Rotor—opens up its offices at 10, Cannon Street, London. It has £250,000 worth of new business tucked firmly under its belt and plans to top the £1m. mark within 18 months. It is the sort of new agency that prompts most hard-boiled London admen to remark with a fair amount of cynicism that they have heard it all before.

But Y and R is no run-of-the-mill, new-agency story. The partners, for instance, have not broken away from big agencies with the promise that a few accounts will follow them. Apart from a slight change in name—the name Bonner has been replaced by Rotor—the agency is a respectable Manchester one, billing about £1m. and handling such national accounts as Wm. and Mackay, Wm. Wainwright, National Tyre Service. Moreover, it is one of the first provincial agencies of any size to open up a completely new business in London. And the main reason it has decided to do so, according to director Gordon Taylor because the money that accounts with provincial agencies get past £100,000 client almost automatically start looking round for a London agency.

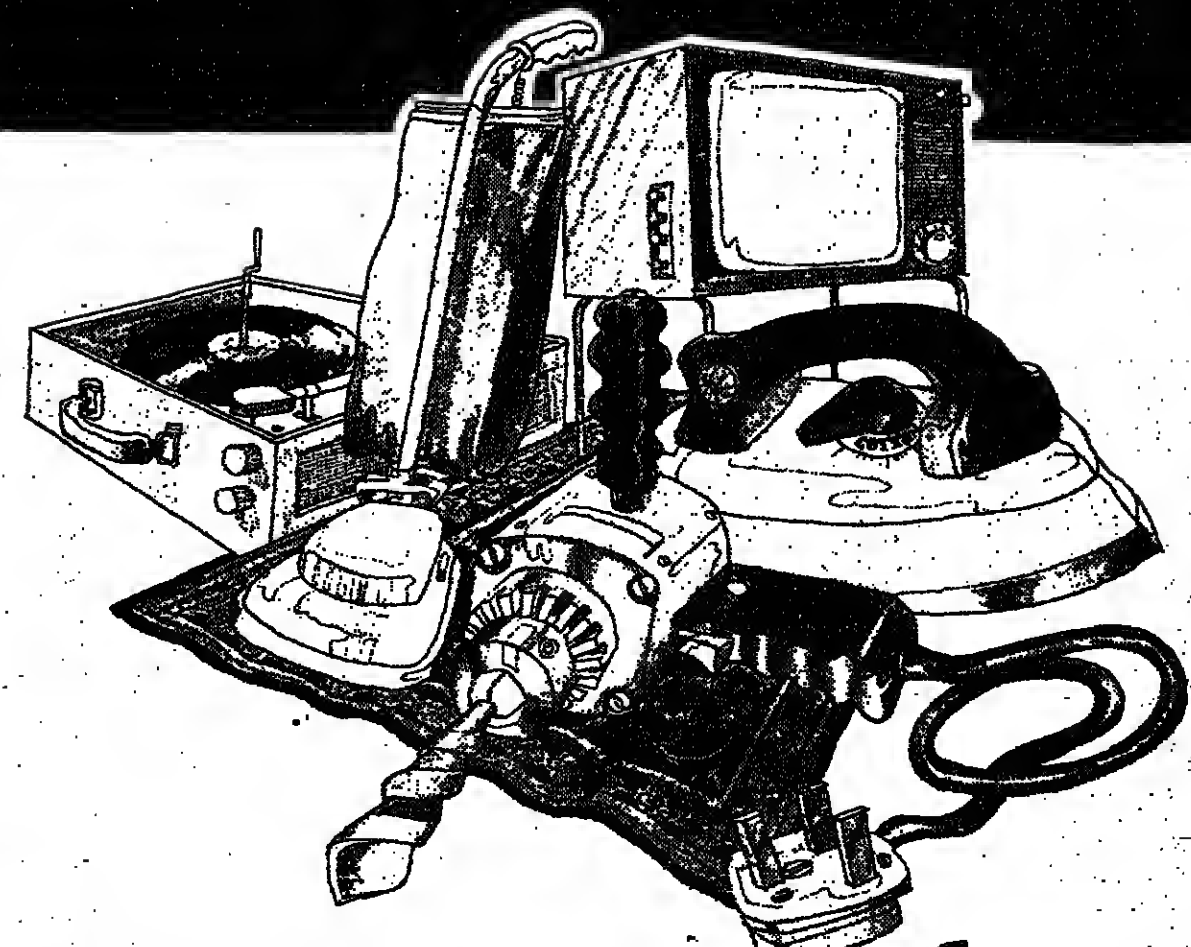
Already Y and R has proved its point with its first major account. Goldwell, a Ketchikan agency marketing a range of drinks including Calypso, Pin Lady and Wicked Lady, used to use the agency at the time it was building up sales in the Midlands and in the North of England. But the more it spent (next year it will be up to £150,000) the more it fancied a London agency. So it parted company with Yeoward Taylor and moved its account to a major London agency.

"Manchester seemed bit remote from the action," says Ronald Niblett, director of Goldwell. "But now that the agency is in London it is a different story, so we have placed all our advertising business with them."

The move is also significant outside the agency. With advertising billings generally down over the last couple of years, more and more London agencies have either been trying to persuade the clients of provincial agencies to move south or have been actively looking on the London for possible takeover material.

All Y and R's media planning and administrative work will be done in Manchester where costs are that much lower. "The more we save on this sort of advertising," explains Dakin, "the more we can spend on creative talent."

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The Marketing Scene

Mohammed Ali and Ovaltine's knock-out punch

BY ANTHONY THORNCROFT, MARKETING EDITOR

"This stuff is so good you could get the Pope to promote it." The "stuff" is Ovaltine, the speaker is Mohammed Ali who, it should not have escaped anyone's notice, is currently over here to push Ovaltine. What on earth has the former heavyweight champion of the world got to do with a product which has traditionally had a rather cosy nocturnal image? That is the inevitable question. And the inevitable answer is that under a fairly new chief executive and marketing team Ovaltine is doing its level best to galvanise its image and to widen the range of its products. No more Ovaltines or sponsorship of ballroom dancing.

Mutual friend

The sharing of Mohammed Ali is very much a personal triumph for Edwin Godden who came from Beccles to run Ovaltine three years ago. He knew that the boxer actually drank the product and that they shared a mutual friend. More to the point he knew Mohammed Ali was revered in Africa and that Nigeria, one of Ovaltine's main overseas markets, had been virtually closed since the civil war. So initially Mohammed Ali was to reactivate the company's sales effort in the third largest market (after the U.K. and, of course, Thailand).

But Godden was also well aware that if he could sail to Ali the idea of a week's promotional tour of Nigeria it would not be difficult to tag on an extra week or so in the U.K. to coincide with the introduction to the trade of two new products. "Our reception in Nigeria has more than repaid the cost of the whole trip," says Godden. Ali and Ovaltine received a rapturous welcome which included an audience with the premier, General Gowon. Not only was the front pages full of the product and its promoter but the Nigerians appreciated the gesture and Godden was able to make presentations of Ovaltine's virtues to such large potential buyers as the army and the refugee authorities. Sales next year should be even higher than the previous year level.

In Nigeria Ovaltine has an image of conveying energy and strength; all conveys much the same image. The overall aim was to get this message to the consumers. The campaign in the U.K. was rather more subtle. Here the main area of attention were the big retail groups. In the past two years Godden has



MOHAMMED ALI

reduced the importance to A. W. Godden, the manufacturing company of the single product Ovaltine from 95 per cent. to nearer 50 per cent. New products like Instant Milk and Coffee Time have been successfully introduced. As soon as Godden knew he had Ali he pushed forward by a month the introduction of yet another new product, Chocolate Time Extra, and decided to extend Coffee Time to the north of the country. In the past week there have been two rather grand occasions for the grocery trade where Ali has done his stuff and everyone has enjoyed themselves. Even Sir John Cohen of Tesco, who must have been to more new product presentations than anyone, says "this is the most impressive I have attended."

But Mohammed Ali not only wowed the retail buyers. He has appeared in the main regional television regions in leading grocery stores—a Tesco, a Fine Fare and (a breakthrough here) even a J. Sainsbury. The cameras have taken the Ovaltine name into millions of homes and

thousands of shoppers have had their Ovaltine time signed by the "greatest." The only fly in the ointment was the BBC who transmitted an hour of Ali chatting to Michael Parkinson but cut out all references to the product, much to the annoyance of the boxer. Now the company is wondering how they can perpetuate the connection with probably the best-known man in the country (a market research assessment). Godden says "I don't intend to let this slip."

There will, of course, be a problem of evaluation, but Godden and Ovaltine seem delighted with the initial response. The overall cost must be around £50,000 (the exact figure is a close secret) but this is taken care of in the general promotional budget—the sponsorship by Ali will replace some TV commercials and below-the-line deals. The important thing is that Ovaltine has been energised and the trade has been flattered. Only now are the orders emerging.

"In six months," says Godden, "we will have replaced the good will, the extra sales, the newspaper and TV coverage priced out as advertising space to have covered the cost. On Tuesday night the lease expired but Ali told me 'I have enjoyed myself. I like the product and would be pleased to come back again with Ovaltine'—on the right terms. Godden for one was quite prepared to amaze competitors and customers with an equally impressive campaign next autumn."

The important thing is that Mohammed Ali has appeared at the critical moment. A. W. Godden, now a subsidiary of another Swiss company, the £300m. plus Sandoz chemical group, has managed to turn the tide which has been flowing against the £10m. a year food drink market. Ovaltine and its chief competitors Horlicks and Bournvita were struggling for growth, and with an ageing consumer profile. Now the company has used its reassurance to introduce a range of products which have only a passing connection with food drinks.

Coffee Time could be seen as a coffee flavoured Ovaltine, but in practice is drunk mainly in mid-morning and competes with instant coffee. The same is likely to apply to Chocolate Time, which is cleverly placed to infringe on the £4m. drinking chocolate market, and will be supported in January with almost £200,000 of advertising. The sponsorship of Ali might look like showmanship but really it is an expression of confidence by A. W. Godden that a small to medium company can survive in the intensely competitive grocery business. "I consider this one of the best investments I have ever made," says Godden. In six months' time he should know whether he is right.

Donovan goes independent

James Garrett and Terence Donovan, one of advertising's best known television directors, are ending their four-year agreement by which Garrett had a 50 per cent. stake in Terence Donovan Productions, writes Eileen Goodall. Though details of the split have not yet been finalised, it is expected that by the end of the year Donovan will be a completely independent company.

When Donovan first made the move from still photography into television direction he used Garrett's centralised financial and processing departments. The link was the first of several such satellite operations set up by Garrett, and was seen as the likely way for Garrett to expand.

But Terence Donovan says the agreement was only planned to last four years. Now the company is established in its own right, with Ross Gramer, Charles Saatchi's former partner, working exclusively for the company. Both sides say the parting was amicable.

Doyle Dane pounces —at last

BY PAMELA JUDGE

AN EBUILLIENT John Pringle and a subdued—for him—Tom Gallagher together with Tim Small sat down on Tuesday to tell the world that Doyle Dane Bernbach Inc. was to take over Gallagher Small. No, the price would not be disclosed but it would be a combination of shares and cash based on future earnings and other factors.

The name Gallagher Small would disappear as would that of its subsidiary Cohen Brown Orr. But Tom Gallagher will become managing director of London DDB, Brian Waldron deputy managing director and Tim Small creative director. Almost a reverse takeover. And with good reason. For DDB had a management vacuum since creative man and managing director David Abbott left about 3 months ago.

In fact John Pringle "looked at 17 potential managing directors. I sought Brian Waldron the hardest, but he seemed to like working with Tom." So the deal.

Primarily DDB needed the management strength but the move will also take it into packaged goods and TV for all the clients have "responded exceptionally well." The combined accounts include Allied Breweries, Heinz, K. Shoes, Beecham, Seagrams, Tube Investments and Volkswagen.

"There are not many agencies we could have merged with," according to Pringle. "It is a question of compatibility. The Board will be composed more or less equally from both sides but enlarged to number about 16. And there will be 'no redundancies'."

Joining the DDB network takes Tom Gallagher into the international league. "No clients have been pressing for this. But if there were new products Small one, will be adopted—that

... And one for Royds

Like that between Doyle Dane and Gallagher Small, this time the main consumer agency for the group. About the £45m. Stowe and Bowden seems to bring together two well-matched agencies. Whereas both Doyle Dane and Gallagher are known for their creative work, Stowe and Bowden are both strong in the provinces with reputations for being sound rather than drastic. Now the move to Royds.

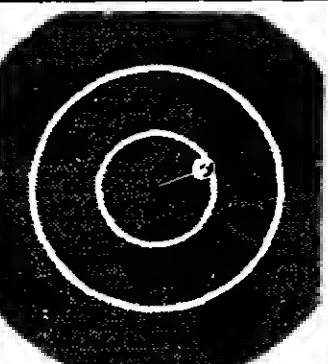
In Manchester, however, where both groups currently have agencies, the two will continue to trade separately for the time being under the umbrella of Royds Advertising Group. Surprisingly perhaps Royds is not taking up Stowe and Bowden's public quotation. "We don't feel that an advertising agency is necessarily best run as a public company," says Dennis Caldecourt, the group managing director.

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JOHN PRINGLE

of having a limited number of accounts. But there is no specific limit.

Apart from an investment in an American agency it is the first time that DDB has grown by acquisition. The London office in its early days, thought John Pringle, could not stand up under the enormous reputation of the U.S. parent, and results must have seemed rather disappointing. But now "we are in at the bottom of the top." And Tom (Bisb) Gallagher saw the £6m. billings as a "springboard to growth with clients."

AGENCY NEWS

Following the departure of Gabe Massini, creative director of Boase Massini Pollitt last month, and the appointment of John Webster as his successor three more members of BMP's creative department are leaving the agency. Most senior is Tim Delaney, one of BMP's top copywriters who is moving to BBDO—was formerly with PKL before its merger with BBDO. Another writer, Alan Orpin, is also going to BBDO, while Paul Leaves, an art director, is also leaving the agency. But at the same time BMP has hired one of J. Walter Thompson's top copywriters, Christopher Wilkins, the man who wrote the prize-winning Guinness "How to make it" Press ad as well as many of Guinness's best-known television commercials.

Latest in the list of agencies setting up recruitment advertising divisions is Benton and Bowles. The agency has been involved in this field for some 10 years and billed around £250,000 from it last year. Leading the operation are Alan Smith, formerly managing director of R. F. White, and Roger Taylor who returns to B and B after two years with Charles Barker.

Association of Point-of-Sale Advertising: Grand Prix in the first awards scheme by APSA has been won by a dispenser stand for Mary Quant cosmetics designed by G. M. Hasker of the Gala Group.

Help yourself to drinks

BY KENNETH GOODING

ONE trend in the drinks industry that the customer can hardly fail to notice is the switch of more and more conventional off-licence shops to self-service operations. Currently conversions are proceeding at a rate of around 400 a year, having come down from the peak 1,000 in 1968-69.

A survey carried out by Stats (MR) has provided the reason for the change. It showed that on average the off-licence that converted to self service increased turnover by 96 per cent. "This estimate is perhaps the strongest indication of the success of this trading method," declared Mr. J. L. Sawie, managing director of Stats (MR) when presenting the results of the study to the Off Licence News seminar "Going for Growth."

Mr. Sawie described self-service off-licences as those in which customers are provided with a basket in which they place their chosen items of drink and transfer them to some central point for payment. He estimated there are 3,000 such off-licences accounting between them for £58m. of liquor turnover compared with £21.78m. spent in Britain on drink last year.

This means that the average turnover of a self-service off-licence is about £20,000 compared with only £12,000 for other off-licences or, to put it another way, the group constitutes 10 per cent. of the market in numbers but 14 per cent. in value.

Enlarging on the statistics, Mr. Leslie Broad, manager, food shops, for the Royal Arsenal Co-operative Society, maintained the advantages to the supermarket. He also stressed that mnr. research was needed, particularly for off sales were that costs were cut because staff were inter-changeable and that, because the public are exposed to the goods themselves, impulse purchases take on greater significance.

Against this were the disadvantages of having to substantially reduce the range, particularly in sizes—quarters and miniatures are too prone to pilferage—and the wine range has to be limited as space taken by large racks is out of proportion to sales. In the main, only the popular, fast sellers are stocked under these conditions.

He also claimed that the entry of the supermarkets to the liquor business had reduced the cost of beers, wines and spirit drinks. "Whether this is good or bad depends on which side of the fence you are. The consumer obviously very pleased: the retailer not so pleased as it has drastically reduced his gross profit rate. It has, however, popularised table wines."

It had also made the suppliers "get up and go," pushing along non-returnable bottles, canned beer and creating a sense of urgency about promotion and marketing. The trade passed from single sales of multi-packs which enabled a bigger price cut to be made with out much loss of margin.

For the future Mr. Broad sees the wine and spirits sections in supermarkets growing bigger and bigger to give a wide choice. "Own label" beer will be extended to "own label" spirits in spite of the manufacturers' resistance to this. Wine will come in plastic bottles and wine and spirits sales in supermarkets "will grow, grow."

This means tougher competition for others in the business. Already the brewers have spotted the advantages of self-service off-licences and, in spite of relatively late entry into the market, are catching up fast. Mr. Sawie pointed out that the brewers now have established roughly the same proportion in self-service off-licences as they hold in terms of total off-licences (just over 30 per cent. as measured by turnover).

He also stressed that mnr. research was needed, particularly into the profitable use of space. For example, 20 per cent. of self-service off-licences now have more than one checkout and there is no doubt that they have a higher turnover.

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For Dash read Digby

BY PAMELA JUDGE

IN THE twin names of publicity and marketing, Dash swept up to London's Cafe Royal in a lightish dark-blue Rolls-Royce. His public, quickly recognising the name of their Dulux OE sheep dog, assembled.

His destiny was the Elysee suite where six of his breed were to be judged to find an assistant for him. Up in the room the six others—chosen from 450 entries in a contest—and their owners approached the whole thing in their various ways. As the proceedings got under

way Derrek Johnson, ICI director on the decorative paints side, said it was a pity there had to be an order of merit for the six. But Dash needed an assistant because there was a lot of "bounce" in the latest commercial. Peter Thomson, marketing manager of the Division, said it was a bit like Miss World—the results would be announced from last to first. While all the fuss was going on around the winner, Digby—who had won £250, a silver cup, membership of a kennel club and a year's supply of Petfoods' Pedigree Chum—the others took cat naps.

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Home Textiles	14.5%
Domestic Appliances	14.4%
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ECONOMIC VIEWPOINT

BY SAMUEL BRITTAI

'Unparalleled prosperity' — of a sort

SIMPLE CYNICISM is rarely an accurate political guide, although there is something to be said for cynicism of a more complex variety.

The Prime Minister has been much derided for saying at the Conservative Party Conference—and repeating to the motor manufacturers on Tuesday—that this country stands on the threshold of a period of growth and prosperity unparalleled since the war. Such a boastage to fortune would not be given lightly. Mr. Heath and his advisers after all have access to Whitehall's own expert assessments; and although the Prime Minister may not believe everything his experts tell him, he would have hardly been out with a claim that was so blatantly contradicted by what he had heard.

Moreover, if by growth and prosperity we simply mean the average annual growth of output over the next three years—and this is what most of the Government's critics (and supporters) have in mind—the Prime Minister has an excellent chance of being proved right. The reason for this is fairly simple and here the higher-level cynicism comes in.

We are starting out from a period of unprecedented slack in the economy with considerable reserves of unused labour and unused equipment. I shall argue that the amount of slack is less than the crude figures suggest. But it is still a post-war record. It is due partly to the present Government taking over from Labour a financial posture more deflationary than either Government realised at the time, and partly to the reluctance of the Treasury to reverse engines in the initial period of Conservative rule. This reluctance was in its turn due partly to mistaken forecasts and partly to an understandable desire to err on the side of excessive slack until wage inflation was seen to be under control.

All this is water under the bridge. There is now basically only one direction in which the economy can move, and that is upwards—irrespective of what to-day's unemployment figures will show. The previous longest period of sustained growth (leaving aside post-war reconstruction) was the Butler boom of 1952-5. If one allows simply for the increase in the underlying growth of productivity since that period, and the taking up of just some of the present slack, there is a very good chance of this being exceeded over the next few years.

The real question is not whether the Prime Minister will see a high growth of output in the next few years, but whether this growth will bring a restoration of the very low unemployment levels we experienced in the 1950s and the first half of the 1960s. To this I fear the answer is "no," and for deep-seated reasons which politicians of either party will not be able to remedy simply by "feeling strongly" about it, and which can certainly not be cured by pumping still further spending power into the pockets of home consumers.

Picking up

There is a good deal of evidence that demand and output are now picking up strongly. The CSO's preliminary estimate of consumer spending for the third quarter implies an annual rate of increase of nearly 7 per cent. There have been sharp rises in new car registrations and in credit sales generally; and exports are now rising in volume as well as value. Private house-building has now turned sharply upwards. Fixed investment is always one of the last sectors of the economy to turn up and here the signs are still pointing downwards. The next major stimulus is likely to come from stockbuilding, which has

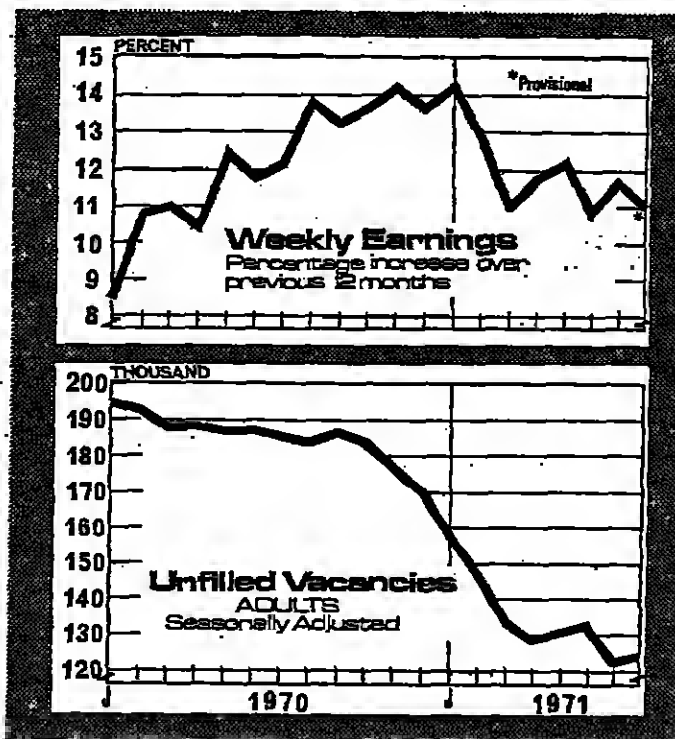
only to shift from its very depressed to a more normal level to add a great deal to final demand. Unemployment always responds with a time lag to an economic stimulus and also suffers from erratic month-to-month movements. To-day's figures will not be decisive one way or the other.

One doubt about the prosperity prognosis lies, of course, on the international side. If there is to be the \$5,000m. turnaround in the U.S. current balance of payments accepted by the OECD, let alone the \$8,000m. which the U.S. is formally demanding, this will mean slightly less demand for the goods of other industrial countries.

Mr. Pierre-Paul Schweitzer nearly included in his IMF speech a reminder to this effect, with the suggestion that other countries should respond, not by resisting the turnaround but by increasing home demand. The other members of the Group of Ten can safely expand home demand to make up this gap provided that they do so together; many countries have already shifted their financial policies towards expansion. The Japanese started the fashion. Mr. Barber related in July, and the Germans are now shifting in this direction too. The total deflationary gap to be counteracted in this way is quite modest—about 0.3 per cent of the GDP of the non-American members.

All the countries concerned recognise their mutual interest in avoiding a spiral of reprisals against the U.S. followed by further American restrictions. Although the present arguments in the Group of Ten may drag on for a time, the odds are that its members will muddle through to a new set of exchange rates without throttling world trade in the process.

The most important uncertainty, however, relates to domestic employment. If all one is interested in is the trend, unemployment is bound to fall



from its present very high level, as once the winter is over. Indeed, from next spring onwards the normal seasonal improvement will be reinforced by economic recovery; and Ministers will be able to present the Common Market legislation against the backdrop of a strongly improving domestic picture.

If, however, the question is "At what rate will unemployment eventually settle?", the answer could be a very different one. It is better to divide the question into two halves. The first is how high the demand for labour can be allowed to rise without another threat of runaway inflation. The other is: "How will this demand for labour be reflected in the highly-publicised unemployment figures?"

The best general measure of

allowance for changes in working hours.

On this basis money wages per hour, which were rising at an annual rate of nearly 15 per cent in the winter, are now down to about 10-11 per cent—still alarmingly high, but at least a step in the right direction. Whitehall is undoubtedly optimistic about further de-escalation this autumn; and with whatever pinch of salt one takes this, there has undoubtedly been a change in the general atmosphere of wage negotiations.

Past climate

Despite the economic upturn, wage de-escalation could well continue for some while longer. Because of the time lags, economic recovery has been slow to affect the labour market; and negotiations this season are still being influenced by the cold economic climate of last winter and spring. In addition, although the state of the labour market is (however frequently it is denied) a major influence on wage increases, there are other influences too—above all, expectations about the price level. (These inter-relationships are very clearly explained by David Laider in a contribution to a new book "The Current Inflation" just published by Macmillan.)

Up to the mini-Budget of July, retail prices were rising by an annual rate of at least 10 per cent. If one adds together the reduction in consumer taxes, the unfortunate new policy of subsidising nationalised industry prices (which is much more important than the CBI initiative which it is supposed to back) and the progress so far achieved in wage de-escalation, there is a reasonable prospect of a slower growth in retail prices in the 12 months from mid-1971 to mid-1972.

Whitehall might put the likely increase in retail prices at about

6 per cent; my own guess is nearer 7 per cent; but this is the kind of level. From next month the retail price index will be published on a new basis to show the measure of price de-escalation so far achieved. In due course, expectations of more overtime and less short-time working as recovery proceeds should also add to the real value of any given money settlement.

Such a virtuous circle of more jobs and less inflation cannot last indefinitely. The Chancellor cannot cut indirect taxes all the time—indeed he may eventually have to reverse some of the cuts he has made. Eventually the effects of a higher demand for labour will begin to counter-balance the somewhat more favourable price expectations, and thus threaten to restart the inflationary process. Because bargaining is now much more in real terms than it was in the post-war phase—and unions cannot be fobbed off with meaningless money wage increases—it is doubtful if the demand for labour can be permanently maintained at as high a level as was normal in most post-war years.

In addition, any given demand for labour is likely to be associated with a higher unemployment figure than it would have been in the past. This is partly due to structural changes in the labour market, where the supply and demand for different kinds of skills has become badly out of balance—an imbalance aggravated by the resistance of trade unions to changes in relative wages.

Moreover, as is by now well known, redundancy pay and higher unemployment benefit mean that in any given state of the labour market unemployed workers can spend more time than they would in the past choosing between prospective jobs. This is on balance a desirable development, masquerading as a social evil due to excessive concentration on the crude unemployment figures.

My own guess is that the average rate of unemployment which will prove compatible with stable prices but without a non-accelerating rate of inflation, will be somewhere around 3 per cent. This implies average annual totals not far from 700,000 and rising towards 800,000 during bad winters. Unemployment may of course be a good deal lower than this for a temporary period—thus giving Mr. Heath his predicted boom. It would then, however, through a series of what would appear to the superficial observer as unlucky accidents or policy mistakes, go back to higher figures.

The 3 per cent is simply a guess of the average around which individual years will fluctuate. This is a good deal lower than the present level of nearly 4 per cent, but a good deal higher than the 1.5 per cent average that prevailed during the 1950s and early 1960s, even the 2.5 per cent which we assumed in the Labour Government's 1968 Green Paper in which it still assumed in some of Whitehall's projections.

The way out

Just as the extremely high unemployment rate of the inter-war period presented an unduly unfavourable impression of the normal workings of the capitalist (or any other) system, the postwar period perhaps presented an unduly favourable picture.

It will be remembered that per cent. was the target unemployment rate in some of the most optimistic of the wartime blueprints for employer policy, and was blessed by the late Hugh Gaitskill. Of course we should try to do better than this, but the way to do so is by choosing between prospective jobs. This is on balance a desirable development, masquerading as a social evil due to excessive concentration on the crude unemployment figures.

Labour News

Building employers veto interim rise

BY MICHAEL HAND, LABOUR CORRESPONDENT

AN INTERIM PAY increase for building workers before their long-term wage agreement expires next June was ruled out yesterday in talks between the employers and union leaders. The unions had hoped that the employers would agree to concede new increases from January because of the rapid rise in the cost of living and because of wage movements in other industries. One of the main arguments against awarding interim pay rises would be the problems they would create for companies working on fixed-price contracts.

Negotiations will continue on the unions' claim for increases from next June affecting about 1m. workers in the industry. They are asking for the craftsmen's basic rate to be raised from £20 for 40 hours to £20 for 35 hours, with proportionate increases for other grades.

The unions also demand a new bonus scheme giving pay increases to keep pace with rising living costs and protect their standard of living against inflation. Their claim was lodged some weeks ago, and they now seek a written reply from the employers.

Power industry

The employers may not want to commit themselves until they see how negotiations develop on the important claims on behalf of some 25m. manual workers in the engineering industry and 70,000 local authority manual workers. They are also not per-

suaded yet that the upturn in building activity is likely to be anything but short-lived.

Unions in the electricity supply industry also put forward demands for a new pay agreement in talks with the employers yesterday.

They seek a substantial pay increase and although they have not yet specified an amount it is expected to be between £2 and £3 a week. On another of the unions' demands the employers gave advance warning that they could see no justification for a reduction in the working week.

Union leaders, worried about unemployment, also pressed for an extension beyond the end of the year of the employers' guarantee that there should be no compulsory redundancy.

Mr. Jack Biggin, national industrial officer of the General and Municipal Workers' Union and the unions' side secretary of the National Joint Industrial Council said after yesterday's talks: "We are not at all happy with the present situation. Our members have seen all that the Wilberforce inquiry gave them earlier this year arched by the cost of living."

The unions stressed the workers' impressive record in productivity which they said should not go unrewarded. "The reduction in manpower has reached the alarming figure of 35,000 since the 1967 pay and productivity agreement. The work force is now down to 107,000 industrial workers," said Mr. Biggin.

Trend of pay rises continues downward

BY JOHN ELLIOTT, LABOUR EDITOR

A STEADY but unremarkable downward trend in the rate of wage and earnings increases was shown last night by statistics published by the Department of Employment with its index of basic weekly rates in September being 12.5 per cent. higher than a year earlier compared with 12.7 per cent. the previous month.

Increases in the basic hourly rates index similarly slowed down marginally from 13 per cent. to 12.7 per cent. while the earnings index in August stood 11 per cent. higher than the same month last year compared with 11.7 per cent. in July.

Annual rate

But these small reductions in the annual rate of increase do not show positive evidence that the government's success in reducing the level of key public sector wage settlements during the past year has had any dramatic effect on earnings.

The next couple of months should yield more interesting results. First the decline in overtime working, and therefore in total earnings of the past few months should, it is hoped, be corrected by the expected expansion in overtime working.

The steady reduction in the annual rate of earnings increases can be more accurately gauged by taking averages over a series of months—and the average rate of annual increase for the three months June to August this year, at 11.2 per cent. above a year earlier, showed an improvement over the 11.1 per cent. average for March to May.

More labour news on Pages 12 and 30

ASCOT STAND MEMBERSHIP

The Ascot Authority has reminded people wishing to apply for membership of the members stand that they should obtain an application form from the Ascot Office, St. James's Palace, London, SW1, or from the Grandstand Office, Ascot Racecourse, Ascot, Berks. The applicant should fill in the form and have it approved before forwarding it to the office.

Libya may seek majority holding in oil producing operations

BY RICHARD JOHNS, MIDDLE EAST CORRESPONDENT

THE LIBYAN Government is planning to nationalise 51 per cent. of the country's oil-producing operations "within a few weeks," according to the official Algerian newspaper *La Republique*.

The newspaper said the Libyan Government would use the same procedure as the Algerian Government adopted last February when it took over a majority share of the subsidiaries and associates of *Compagnie Française des Pétroles* and *ERAP*—in other words, nationalisation by decree.

The oil companies would be given a month to accept the Government proposals and their oil operations would be halted if they refused to comply.

The report—which is in line with the gloomier predictions of many oil executives—could have an added significance because last week Colonel Muammer Khedafi, the Libyan leader, held talks with President Boumedienne of Algeria. *La Republique* said that oil nationalisation was discussed by the two Heads of State. However, it should probably be seen as the first part of a campaign of pressure against the oil companies.

At the Ministerial conference of the Organisation of Petroleum Exporting Countries, held in Beirut last month, Libya pressed for the adoption of the principle of majority participation. The other members, however, set themselves a more modest target of an initial 20 per cent. share.

No assurances of support were given to Libya and there have been some indications since the Beirut meeting that the Tripoli regime of Col. Khedafi was having second thoughts. However, a number of well-informed observers believe that Libya will, in the event, demand 51 per cent.

It is likely that the companies would prefer to halt operations rather than accept a far-reaching Libyan demand. It is pointed out that stocks of crude are high and freight rates low. On the other hand a capitulation to Libyan terms—even if compensation offered was considered adequate, which is unlikely—could materially affect the outcome of negotiations on participation with Gulf producers.

British Rail to lease equipment worth £115m. under new deal

BY SANDY McLAHLAN

BRITISH Railways Board has entered into a leasing agreement worth £115m. with a new consortium company, *Railway Finance*. The idea behind the agreement, the brainchild of merchant bankers Morgan Grenfell, is to allow the BR Board to take advantage of its backlog of capital allowances—currently in the region of £500m.

Shareholders in the new company will be Barclays Bank, Distillers, William and Glyn's Bank, CEC and Great Universal Stores. The company will be managed by Morgan Grenfell and Williams and Glyn's.

Over the five-year period 1971/72 BR will lease equipment worth £115m. from *Railway Finance*. At the same time BR will put up most of the finance for the purchase of the equipment purchased by *Railway Finance*. The recent \$60m. Euro-dollar loan by BR has been raised as the first tranche of this money.

The leasing agreement represents almost 20 per cent. of BR's estimated capital programme of £600m. over the five-year period. The Board reckons that two-thirds of this sum will be supplied by internal finance through depreciation, working surpluses and sales of assets. The other £200m. will be raised outside, either from the traditional

BR if the Railways Board purchased the equipment outright. But the crucial point is that *Railway Finance* will be able to pass on the benefits of these capital allowances to its shareholders, all of whom make substantial taxable profits.

Under the terms of the deal, the five shareholders will pay over to BR the great proportion of the after-tax value of these allowances in cash. They will retain an undivided proportion as their "turn" for taking part in the set-up. This will allow BR to take advantage of its capital allowances—which can only be offset against profits—to an extent which its own nominal profit figure would not allow.

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source of the National Loans Fund or elsewhere if more favourable terms can be arranged.

The new scheme was cleared, after a certain amount of explanation, with the Inland Revenue, and now that this burden has been overcome it could prove a pilot scheme for similar operations. However, Morgan Grenfell admits that while the principle may hold good, each scheme would be a one-off operation. The present one is believed to be the biggest single leasing deal ever arranged in this country.

The equipment to be leased by BR includes 34 electric locomotives for use between London and Glasgow when the extension of main line electrification from Crewe to Glasgow is completed in 1974; new wagons to improve the capability and performance of rail freight services; and the main high-speed diesel trains incorporating 75 feet long air-conditioned Mark III passenger coaches, prototypes of which are under construction.

HALIFAX CUTS IN INTEREST RATES

HALIFAX Building Society yesterday announced a 1 per cent. cut in interest rates to investors and a 1 per cent. reduction in rates charged on mortgages.

The new rates—in line with recent recommendations of the Building Societies Association Council—come into effect next February on savings and existing mortgages and from November 1 on new mortgages.

Charter flight cancelled

A CHEAP-RATE Transatlantic jet flight was canceled last night after an airline was warned that some of the passengers might not be bona fide members of the club which chartered the aircraft. British Midlands Airways declined to operate the flight Student Travel Association. No due to take off for New York from Stanstead airport, Essex, at last night.

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Saleroom

Ivory triptych fetches 6,000 gns.

A FRENCH ivory triptych of the death, assumption and coronation of the Virgin Mary, measuring 10 1/2 inches high and thought to be 18th century, was sold at Christie's yesterday for 6,000 gns. to Eisenbeiss in a sale of Renaissance and later works of art that totalled £25,795.

Eisenbeiss also paid 1,000 gns. for a Venetian rock-crystal and giltwood casket dating from the 17th century. A Dutch 17th century silver marriage casket went to a private buyer for 720 gns. a 15th century Limoges champleve enamel eucharistic dove to Barrios and a 14th cen-

horse to Hunt, each for 620 gns. A sale comprising 36 lots of Oriental band stone carvings totalled £19,678 at Glendinning's. Clayton paid £3,500 for a pale green bowl, Spinks £2,800 for a pair of translucent marriage bowls, and £1,250 for a green bowl and Spinks £1,650 for a white incense bowl and cover, all of these being jade with Chien Lung marks. An 18th century dark green jade koro and cover went to Spinks for £2,600.

At Sotheby's a sale of Japanese works of art realised £21,470. Ekenazzi paid £1,000 for an ivory netsuke signed by Monamu of a peony flower, £560 for a netsuke of a Samurai by Morita Soko and £540 for a five-case Inro by Reishosai Koji. A pair of Nabeshima saucer dishes went to Sotheby's for £550.

Sotheby's sale of Old Master paintings totalled £32,300. A triptych by J. van Scorel went for £980 to Jungeling and Merry Company outside an Inro by Barant Gae for £720 and a park scene attributed to Vittori Bigari for £700, both to O'Nians. Rubnacci acquired by a pair of still-lives of summer flowers by J. de Arrelano for £800 and Van Hout an estuary scene by J. G. G. for £1,000.

MINING NEWS

Pancontinental teams up with Getty Oil

BY LESLIE PARKER, MINING EDITOR

ANDAY's theory put forward in the Notebooks that the world's major oil companies are interested in a stake in uranium and in Pancontinental, one of the world's largest uranium producers, is being tested by the company's new partnership with Getty Oil.

Getty obtains a 33 per cent. interest in the property, which is adjacent to Queensland Mines' barik find, to that of Noranda, Jim Kim and the Peko Walsby Industries partnership's near prospect. The U.S. company has agreed to spend up to \$1.5m. (\$1.5m.) on further exploration. Drilling is scheduled soon as equipment can be obtained.

From Pancontinental's viewpoint the most important part of the agreement is that if a production decision is warranted, the company will provide or guarantee continental's portion of the production financing and all other funds necessary to bring the property to production.

Moreover, Getty is providing an assured market for the output. It operates a U.S. uranium refinery in Wyoming and, through subsidiary, is active in the nuclear fuel fabricating and processing industry.

The whole deal looks to be an impressive one for a junior company to have made with a giant, particularly in the uranium industry.

particular, it leaves the Australian side with a modest stake carrying a modest potential future capital liability \$1.5m. (\$1.5m.).

It is thus fairly obvious that Getty, which has already given the property a good going over, must think fairly highly of its prospects, although these, of course, have still to be fully proved. It is understood that Pancontinental has abandoned its proposed placing of 1m. shares yesterday which improved a further 3p to 53p.

NICKEL OUTLET SOUGHT

Although the Carr Boyd Rocks nickel mine in Western Australia, a joint project by Great Boulder and North Kalgoorlie, continues to open up quite promisingly, no contract has yet been negotiated for the sale of concentrates therefrom. It is stated in the Great Boulder quarterly report that negotiations are still proceeding. It is added:

Crosscutting from a drift 204 feet long in the footwall of No. 1 shoot together with pattern diamond drilling indicates that the shoot at this horizon is 188 feet long and 29 feet wide with an average value of 1.54 per cent. nickel and 0.55 per cent. copper.

The latest drill results from No. 2 ore shoot have given values ranging up to 2.3 per cent. nickel and 0.94 per cent. copper for a width of 39.5 feet. At the South nickel mine, which started production in March of last year, 29,447 tons of ore were milled in the 12 weeks to September 14, having a head grade of 2.29 per cent. nickel. Concentrates produced totalled 4,794 tons of 11.53 per cent. nickel. There is an agreement with Western Australia for the sale of the concentrates. Great Boulder has a 31 per cent. stake in Scotia, North Kalgoorlie 49 per cent.

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Great Boulder were unchanged yesterday at 52p. The shareholding in Western Mining has a current value equal to around 48p per Great Boulder share.

GESA—NEW WITS MAGNESITE DEAL

Agreement in principle has been reached for Gold Fields of South Africa to take a half share in the Moolten magnesite project in South Africa of New Witswatersrand Gold Exploration. This was foreshadowed in the latter's annual report by the chairman, Mr. A. M. D. Gnodde. At yesterday's Johannesburg meeting Mr. Gnodde said that GESA will now refund to New Wits the expenditure incurred in the project to date and will also bear half the future spending. Very substantial tonnage of magnesite have been indicated at the deposit, but further work to assess the potentialities will be needed before a feasibility study is prepared.

MINING BRIEFS

COUNTRY ISLAND—Four weeks to October 17, 1971, the island produced 12,500 tons of lead and 14,000 tons of zinc concentrates. Copper ore treated 5,500 tons, produced 4,500 tons of copper.

WITWATERSRAND—MIGUEL—Quarter ended September 30, 1971, the company produced 12,500 tons of lead and 14,000 tons of zinc concentrates. Copper ore treated 5,500 tons, produced 4,500 tons of copper.

WESTERN MINING—Quarter ended September 30, 1971, the company produced 12,500 tons of lead and 14,000 tons of zinc concentrates. Copper ore treated 5,500 tons, produced 4,500 tons of copper.

VENESTA REJECTS OZALID

The Boards of both Venesta and Keizer Venesta last night urged shareholders to take no action on the bid from Ozalid, and Venesta maintained the offer would be sent out with the documents.

News of the Ozalid bid saw that company's shares down 2p to 230p last night, while the Venesta Ordinary shot up 14p to 53p compared to the 43p value put on them by the Ozalid terms. KV shares were up 8p to 57p (against the bid value of 53p) last night.

A statement from the Venesta Board, which has called in Hambros to advise, said the directors unanimously agreed with the sentiments expressed Tuesday by the chairman, Mr. Ronald Plumley, who maintained the offer is far below the true value of the group, either in relation to its potential, profitability or in relation to net asset value.

The directors also fully concur in the view that there is little industrial logic behind the proposed offer.

The KV directors are being advised by Baring Brothers and say they will make a further announcement as soon as the terms have been considered. They ask shareholders to take no action at present.

Earlier, Mr. Nicholas Kieley, deputy managing director of Ozalid, had stated: "We are going ahead as planned with the offer." There were no plans to raise it.

HENRY RECOMMENDS GUS BID

In view of the recent lapse of the United Drapers Stores offer for A. and S. Henry and Co. and the subsequent announcement of increased terms for the offer by Great Universal Stores, the directors of Henry, having consulted advisers Singer and Friedlander, unanimously recommend holders who have not yet accepted the GUS offer that they should accept in respect of their own holdings amounting to 72,335 shares.

ASSOCIATED TOOLING

On October 11, the Board of Associated Tooling Industries exercised its option to accept the offer of the vendors of 75 per cent. of the capital of Groveley Engineering.

COMPANY NEWS

FOR 1971, the expectation by the William Baird group is still a marked increase in pre-tax profits, with this benefit offset by a return to a more normal tax charge, the directors state.

They are holding the interim dividend at 4 per cent. and intend to maintain the final at 7 per cent. Profit for the first half expanded from £475,000 to £892,000, reflecting a significant improvement in textiles, a satisfactory result from industrial and a reduced return from investment.

Textile results for the second half should maintain the improvement and will have the addition of a full six months' contribution from J. H. Buckle, while the year's profit from industrial is expected to compare "not unfavourably" with previous years.

Since the last year's operations by Sierra Leone Development have been hampered by two derailments which, combined with the continuing rise in costs, will limit profitability in the second half. For the remainder of the year no difficulty is expected in disposing of the mine's production, but if there is no improvement in world steel markets by the year-end, the outlook for 1972 cannot be regarded as encouraging.

The reduction in investment income will continue for the remainder of 1971. Income in 1970 was boosted by a number of special receipts; but in 1971 a lower return from the major investment in Joint Kalamunda (Holdings) will occur and re-

ing, (acquired in November 1970) to pay the instalment of the purchase price due to them on November 15 by the issue of 25,945 Associated Mining Industries Ordinary shares.

The vendor of the remaining 25 per cent. is payable by instalments in cash.

VANGUARD PLANT

The offer on behalf of Harvey Plant Holdings, for Vanguard Plant has been accepted in respect of over 80 per cent. of the issued capital. Harvey intends in due course to acquire compulsorily the outstanding shares.

SEAFIELD

The value of the offer by Sime Darby for Seafield Amalgamated Rubber, shown in Saturday's bid table should have been 62 1/2 p, not 58p. The published figure failed to include the value of the Sime Darby warrants.

IRISH INVESTMENT

Slater Walker's offer for Irish Investment is now closed. SW and associates hold 58.01 per cent. of the Ordinary capital, consisting of 4,062,419 shares held before the offer and 114,474 accepted through the offer.

RALPH HILTON

Ralph Hilton Transport Services announces that as a result of further negotiations with British Oxygen Company with regard to the acquisition of that company's subsidiary Bain and Hodge, it has been agreed that the consideration of £500,000 will be satisfied as to £200,000 cash, the balance in cash over the next two years. A letter to holders giving full details will be sent out shortly.

WRIGHTS BISCUITS AND MOORES

Both Wrights Biscuits and Moors Stores, on the receiving end of proposed bids from Cavenham Foods, have now called in merchant bankers to advise. Lazard Brothers is acting for Wrights and Baring Brothers for Moors.

ROCHDALE CANAL

The final offer for the Rochdale Canal Company by Town Centre Securities has now been sent out.

GILTS PUR ACQUISITION

Giltspur Investments has acquired 20th Century Transport on behalf of its subsidiary, Bullens Transport Group. 20th Century

Wm. Baird first half upsurge

sources available to investment have been reduced mainly to help with the acquisition of Buckle, but a number of investments have been realised on advantageous terms.

The balance of the 9 per cent. loan notes in Dawson has been repaid ahead of schedule. Group cash flow is also expected to be positive from new on, leading to an increase in the resources available for investment in 1972.

Looking to 1972, the directors state that problems facing the mining company are considerable, but the resilience of textiles and industrial encourages the belief that they will do well when the economic climate improves.

Statement Page 30 See Lex

ARBITER & WESTON

Pre-tax profits for the year to March 31, 1971, of Arbiter and Weston, now a subsidiary of Ladbroke Group, are estimated at about £75,000 compared with £350,000 in the previous year. This is after writing off certain investments and equipment. On trading results to date, pre-tax profits of between £400,000 and £450,000 are expected for the current year.

A. and W. is to transfer to Jack Good Productions the Stanley Barnett Agency and Artists Administration and Management (1966) and investments in these companies will be written off at March 31, 1971.

In addition, the investment in Jack Good Productions to finance a theatrical venture will be written off as at March 31, 1971, and a further amount will be provided at that date for an increase in the investment subsequent to the year end.

The total investment in all these companies, amounting to about £195,000 is now considered of no value. It is stated in a circular to A. and W. shareholders.

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Westminster October 1971

BIDS AND DEALS

ALCAN BOOTH

Baxter Fell and Company has agreed to sell, subject to formal contract, its aluminium stockholding subsidiary, Aluminium to Alcan Booth Industries, effective from January 1, 1972.

On completion of the arrangements Alcan will own Metal Inters, Rapp Metals, Aluminium and Boucher-Grundy, with chain of warehouses covering the whole country.

LMI ACQUIRES R.A. POOLE

London and Midland Industries is bought all the share capital of R. A. Poole and Co. Holdings (London), together with its subsidiary, which operate at Sutton, Brierley, Lancs. The Poole group trades as stockholders, distributors and merchants of a wide range of industrial fasteners, including stainless steel and her specialist items.

Consideration is £274,000 on completion, consisting of £46,025 in cash, £148,000 of 0.1 per cent. convertible unsecured loan stock and £80,000 of 10 per cent. preference shares. The offer is subject to a number of conditions.

CONSTELLATION

The Hemdale Group offers for Constellation Investments Ordinary and "A" Ordinary (with the exception of the cash alternative which has been closed) remain open until further notice. They have already become unconditional.

GRA-SHAWFIELD

The GRA Property Trust offer for Shawfield Greyhound Racing—already declared unconditional—has now been accepted in respect of 1,358,170 shares which together with the 5,000 already held total over 75 per cent. of Shawfield's capital. The offer remains open.

CONSTABLE HART

The offer by Thomas Roberts (Westminster) for the capital of Constable Hart not already owned by Constable Hart capital. The offer is subject to a number of conditions.

RECENT ISSUES

On completion of the arrangements Alcan will own Metal Inters, Rapp Metals, Aluminium and Boucher-Grundy, with chain of warehouses covering the whole country.

FIXED INTEREST STOCKS

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EQUITIES

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INTERNATIONAL COMPANY NEWS EURO MARKETS

Rank, MEPC to raise \$40m. on Eurobond market

Lockheed results in line with forecasts

BY WILLIAM LOW

TWO BRITISH companies announced plans last night to raise a total of \$40m. on the international capital market.

Rank Organisation, as fore-shadowed in last week's Financial Times, will offer \$20m. of 15-year bonds through the international underwriting syndicate headed by Kleinwort Benson. In the light of current market conditions, the issue is expected to carry a coupon of 8 per cent. Final terms will be fixed on November 2.

Metropolitan Estate and Property Corporation (MEPC), through its international finance subsidiary, will float a \$20m. 15-year loan through a group of underwriters headed by N. M. Rothschild and Sons. No coupon indication has been given, but Rothschild said that the issue would be priced to yield around 8 1/2 per cent. Offering date has been set for November 3.

Proceeds of the Rank issue will be used by Rank and its subsidiaries in the U.K., while MEPC will spend most of the money in Australia.

Eurobond investors have not always been enthusiastic about offerings by British borrowers (ICI was forced to withdraw a \$30m. loan from the market earlier this year), but both Rank and MEPC are well placed to attract international investors. Other factors which

should help attract a satisfactory response to both issues are the current strength of the secondary sector of the Eurodollar bond market and the strong appetite of investors.

This month, Ramada Inns, of the U.S., is expected to float a convertible (equity-linked) bond loan for an amount of around \$12m. Members of the under-

Wendel-Sidelor turnover rises 36% to Frs.5,905m.

BY JANE BERGEROL

PARIS, Oct. 20.

WENDEL-SIDELOR turnover rose to Frs.5,905m. from Frs.4,322m. during the 1970-71 financial year—an increase of 36.6 per cent—while exports took up a slightly larger share of total turnover, reaching Frs.4,422m.

If results for the Wendel group's major subsidiaries are considered, the increase is even more pronounced. In 1970-71, Wendel's major subsidiaries, including the Lorraine steelworks, reported a combined turnover of Frs.4,711m., compared with Frs.3,471m. in 1969-70, representing an increase of 35.4 per cent. The subsidiaries included in this

consolidation are Wendel-Sidelor (which produced Frs.600m. of the gross profits), Solaise, Sidelor and Centrale Siderurgique de Richebourg.

Meanwhile, De Wendel, the parent company of the group, which sold off most of its steel interests to Wendel-Sidelor, is to be reorganised and placed in a programme for its Lorraine work-shops which will lead to an increase in capacity of steel tube production at Joffre to 50,000 tons a year (last year's output reached 35,963 tons).

BY JUREK MARTIN

NEW YORK, Oct. 20.

THE LOCKHEED Aircraft Corporation said today that it had made a third quarter profit of \$2.2m. (19 cents a share), compared with \$2m. (12 cents a share) last year. For the year to date, the company has earned \$13.5m. up from \$10.3m. This year's returns include \$3.5m. from the sales of property.

These results are pretty much in line with what the company has been forecasting for some months. Lockheed's own projections expect a profit of about \$15m. This will not, however, be of any comfort to Lockheed shareholders, since the company is provisioned from paying out any dividends under the terms of the recent Federal guaranteed loan agreement. Lockheed has not paid a dividend since 1968. The loan agreement extends until 1975.

The company's total sales for the third quarter of the year amounted to \$667m. (\$955m. last

year) and for the first nine months to \$2,350m. (\$1,700m.). Details of Lockheed's financial performance were released today as its annual meeting convened at its Burbank, California, headquarters. Mr. Daniel Haughton, the chairman, appeared from New York, where he is based, to have little new to tell shareholders, though he did say that the company's estimates for the break-even number of orders for the L-111 TriStar, which is being built by Lockheed, might have to be changed when the full cost of the disruption in production caused by the Rolls-Royce bank-ruptcy has been assessed.

Lockheed's own projections of the numbers of L-111s it must sell to make money—between 255 and 265 aircraft—have been widely challenged as being far too low. Mr. Haughton did not say what the revised estimates would be, but he implied that they would not be much above 265.

TWA improves again

BY JUREK MARTIN

NEW YORK, Oct. 20.

CONTINUING its recent improvement, Trans World Airlines said today that it had made a profit of \$3.1m., or 27 cents a share, in the month of September, compared with a meagre net income of \$53,000 in the same month last year.

This means that in the first nine months of this year TWA has managed to earn \$3.9m., in the same period last year it lost \$20.6m. The results include the operations of TWA's subsidiary, Hilton International.

It is still very long odds against TWA ending the year in the black since the winter months that lie ahead are not the best for international travel. In the fourth quarter of last year, for example, the airline suffered a deficit of \$39.9m. en route to a whole year in which its consolidated loss came to \$63.9m. In all, the loss on airline operations last year came to \$99.4, a deficit that was reduced by the profits from Hilton and a special \$26.8m. tax credit.

Others

● **PANCONTINENTAL** formed joint venture with Getty Oil for continued exploration, development and, if warranted, production of Pancontinental's prospecting authorities in Northern Territory. Properties lie in East Alligator River area, near several major uranium discoveries made recently. Under deal, Getty will own 49 per cent, Pancontinental 51 per cent. The venture will spend up to \$1m. on exploration. If Getty fails to spend more than \$650,000, its interest will be reduced.

ESSO TO BUILD SICILY PLANT

By Our Own Correspondent

ROME, Oct. 20.

ESSO Standard Italiana plans to build the largest lubrication oil plant in Europe at Augusta, in Sicily.

The new plant will cost Lire 40,000,000,000, including extensive anti-pollution equipment, and will produce 400,000 tons of lubricating oil base stocks for export to Esso's European, North African and Middle East markets.

DENMARK'S NEWSPAPER INDUSTRY

Down to its last 55 "dailies"

BY OUR COPENHAGEN CORRESPONDENT

HISTORY, and the low tastes of the mass reading public are catching up with the Danish newspaper industry and facing it with a difficult period of change and adaptation. The problems have been brought to a head by a 10-15 per cent drop in advertising revenue over the past 12 months, taking many papers to the point where the unpleasant facts can no longer be ignored.

The process of concentration has been going on for a long time. The number of daily newspapers has been halved from 110 in 1950 to 55 today as the old pattern of daily papers—one for each main political party—to each town has broken down. To-day, Copenhagen still has nine daily papers, but only Odense, Aarhus and Aalborg have two or more in the provinces.

The latest victim of the decline of the party press is the Social Democratic Party's main organ, "Aktuel". It is in the process of closing down its 11 regional editions and dismissing over 250 employees, including almost 100 journalists. In future, it will have a single edition, printed in Hillerød, near Copenhagen, and distributed nationally.

At the same time as the weeding out of the weaker papers continues, a change in reading habits is creating a new problem. A decade ago, the visitor from Britain was still surprised and rather impressed to find that the ordinary Dane apparently preferred to read the Danish equivalent of such papers as the "Daily Telegraph" or "Guardian".

Until 1968, the two Copenhagen "heavies", "Politiken" and "Berlingske Tidende" retained a joint circulation which was larger than the combined circulation of the two popular tabloids, "Ekstra Bladet" (from the same stable as "Politiken") and "BT" (published by the Berlingske publishing house).

To-day, however, the two heavies have a joint circulation of about 280,000 daily while the two tabloids, with a total circulation of 422,000, are selling more than all the other seven Copenhagen dailies together.

"Berlingske" and "Politiken" have both lost ground steadily. Since 1964, "Berlingske's" circulation has fallen by about 20,000 to 311,000 daily in the first half of this year. "Politiken" has dropped about 10,000 in the same period and now sells about 128,000 daily. The position of "Berlingske" seems fairly assured, despite the circulation fall. It is by far the biggest newspaper magnet for the big advertisements and boasts that it publishes more small ads than any other daily in Europe.

But "Politiken" is in serious trouble, although there is no question of closure looming over it for the time being. It has just announced the dismissal—including pensioning off before the proper time—of 13 journalists. The rationalisation measures will probably have consequences for the technical section later, too.

The paper is caught in a spiral of falling circulation and advertising. Over the last few years it has tried juggling with both editorial staff and content, but to no effect. It is traditionally the radical alter ego of the conservative "Berlingske", but recently its radicalism has tended to find expression in the increased opinion content of its news reports, which helps to make it the liveliest of the two big papers, but not always the most reliable.

The two tabloids have advanced steadily since the late 1950s, spearheaded by the aggressive journalism of "Ekstra Bladet", which has the advertising motto "We dare where others stay silent." In the 'sixties it not only unashamedly exploited more liberal atti-

tudes to sex; it helped to create the new attitudes. By now nothing is left of the "Ekstra Bladet" in print. It has the doubtful honour of being probably the world's only daily newspaper to have a double-page spread to photographs of a sex orgy (an issue apparently seized by the Vatican, since the paper is still on sale at the Vatican outside St. Peter's, Rome).

The process of concentration still has some way to go. The provincial dailies and four of the Copenhagen's have circulations under 20,000, and about a third of all the papers are thought to be making a loss.

If the Danish economy does not pick up for another 12 months, which is not improbable—many of the smaller provincial papers could be fatally weakened, leaving the field open to a few strong and expanding papers.

Foremost among these is the "Jyllandske Posten" (Jutland Post), an Aarhus weekly which has been on a rising trend since it started producing an edition for Copenhagen, sale with an alternative title, "Morgenavisen".

The problems facing the traditional Press have also brought with them some interesting new developments. Local weekly newspapers are virtually unheard of, save as advertising free issues. In the last two or three years there has been a new lease of life. In the Copenhagen area both "Politiken" and "Berlingske" have realised their potential and invested considerable sums in them. At the same time they are making much money that they are carrying substantial editorial material and coming to resemble real newspapers. In future, weekly newspapers may well be the solution to the needs of the provincial public.

IN BRIEF

Europe

● **CEMENT LAFARGE** profits dropped sharply to Frs.78m. in first 1971 half, compared with 1970 half-year figure of Frs.106m. However, second-half results are much healthier. Management expects to end year with increased net profit, and will certainly pay same dividend as last year.

● **ELEKTRO-WATT**, of Zurich, and Inlekt, Schaffhausen, have been forced to withdraw a \$30m. loan from the market earlier this year, but both Rank and MEPC are well placed to attract international investors. Other factors which

North America

● **HONEYWELL** third quarter earnings rose 93 per cent. on sales increased 4 per cent. Mr. James H. Binger, chairman, described results as "encouraging," but pointed out comparison is with poor third quarter in 1970. Binger added year-to-date results are somewhat behind 1970, "and consequently it may be difficult to equal net income of a year ago."

● **HONEYWELL** third quarter sales and rental revenues were \$476.8m., compared with \$459.5m. year ago. Earnings in third quarter were \$16.5m., compared with \$3.6m. in like period of 1970.

● **B. F. GOODRICH** net earnings in third quarter fell to \$3.5m. (50 cents per share) from \$3.9m. (58 cents) on sales increased to \$333m. (\$300m.). Nine months net earnings, however, rose to \$23.5m. (\$1.62) from \$21.5m. (\$1.48) on sales of \$977m. (\$915m.).

● **CHEMICAL NEW YORK CORP.** holding company for Chemical

Bank, reports income before share (\$2,542,000; 25 cents). For the nine months so far net income was \$6,902,000 or 78 cents a share (\$9,600,000; \$1.09) on sale of \$48.8m. (\$40.5m.).

● **MOBIL OIL CORP.** reported that it estimated its third quarter profit would be net \$134.1m., \$1.32 a share (against \$120.8m., \$1.19 last year).

● **PANCONTINENTAL** formed joint venture with Getty Oil for continued exploration, development and, if warranted, production of Pancontinental's prospecting authorities in Northern Territory. Properties lie in East Alligator River area, near several major uranium discoveries made recently. Under deal, Getty will own 49 per cent, Pancontinental 51 per cent. The venture will spend up to \$1m. on exploration. If Getty fails to spend more than \$650,000, its interest will be reduced.

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COMPANY NEWS

Big first half recovery for Spillers

DUE TO some improvement in margins and a higher turnover, profit before tax of the Spillers group for the six months to July 31, 1971, was £3.7m., compared with £1.9m. for the corresponding 1970 period. After taxation and minority interest, the profit attributable was £2.2m., showing a 100 per cent. increase over the first half of last year.

And, says chairman Mr. W. H. Vernon, the Board is confident of an encouraging improvement in the full year to end-January, 1972, over the results for 1970-71, when the pre-tax income fell to £5,044,000 from £7,195,000 previously.

The interim dividend is held at 34 per cent—last year's total was 21 per cent, on 12.50 pence.

Mr. Vernon reports that most sections produced better results and the grocery and food divisions substantially improved their contributions. Profits from flour-mixing, however, were disappointing, the baking division remained at an unsatisfactory level due to a further rise in costs, intense competition and the routine development of bread recipes on demerolisation.

Rationalisation of activities and organisation and the successful introduction of new products have, "considerably improved" the group's competitive position and the directors look for a steady advance towards a more adequate level of performance.

It remains difficult to forecast accurately the outcome for the remainder of the year, Mr. Vernon says. Inflationary trends continue and in the months ahead they will have to face the consequences of paying higher wages and salaries, coupled with continuing advances in prices of imported cereals resulting from the levy system imposed by the Government in July. Furthermore, the restraint on price increases arising from the implementation of the CBI undertaking may tend to delay the adequate recovery of these increasing costs.

Notwithstanding this note of caution, the Board is confident

that the results for the year as a whole will show an encouraging improvement on those for 1970-1971.

An announcement was made on October 14 of the intention to merge Spillers flour-milling, baking and feed interests with those of the Co-operative Wholesale Society and J. Lyons and Co., which are at present contained in a jointly-owned company, J. W. Vernon, the Board is confident of an encouraging improvement in the full year to end-January, 1972, over the results for 1970-71, when the pre-tax income fell to £5,044,000 from £7,195,000 previously.

The interim dividend is held at 34 per cent—last year's total was 21 per cent, on 12.50 pence.

Mr. Vernon reports that most sections produced better results and the grocery and food divisions substantially improved their contributions. Profits from flour-mixing, however, were disappointing, the baking division remained at an unsatisfactory level due to a further rise in costs, intense competition and the routine development of bread recipes on demerolisation.

Rationalisation of activities and organisation and the successful introduction of new products have, "considerably improved" the group's competitive position and the directors look for a steady advance towards a more adequate level of performance.

It remains difficult to forecast accurately the outcome for the remainder of the year, Mr. Vernon says. Inflationary trends continue and in the months ahead they will have to face the consequences of paying higher wages and salaries, coupled with continuing advances in prices of imported cereals resulting from the levy system imposed by the Government in July. Furthermore, the restraint on price increases arising from the implementation of the CBI undertaking may tend to delay the adequate recovery of these increasing costs.

Notwithstanding this note of caution, the Board is confident

An amount of £34,000 (£30,000) retained. All the Ordinary shares are privately held.

Helene of London goes ahead

DIRECTORS of Helene of London, clothing manufacturers, agents and retailers, report better pre-tax profit for the six months to June 30, 1971—up to £201,282 from £182,540 in the previous first half.

They say that trading since June 30 "has been on a similar level to the equivalent period last year." In the full year 1970, the tax profit was a record £419,363 and the single dividend paid 20 pence.

Mr. Montague Burman, chairman, said in his annual statement in May that 1971 should again show increased profits. In the current interim statement the directors again state that the first-half figures are not fully indicative of the year's results, since retailing profits are earned in the last three months which include the Christmas trading period.

Turnover for the six months to June 30, 1971, was £1,545,115, compared with £1,302,245 in 1970. Profit before tax was £201,282, compared with £182,540 in 1970. Dividend paid was 20 pence.

Robb Caledon loss £0.5m.

Robb Caledon Shipbuilders incurred a group loss, after all charges, of £504,000 for the year to March 31, 1971, against £517,007 for the previous year.

This increase in the loss carried forward to £1,053,419 (£800,415) less £517,007 Shipbuilding Industry Board grant.

S. Pearson first half increase

IN THE first half of 1971 net profit attributable to S. Pearson and Son rose from £2.41m. to £2.75m. The interim dividend is held at 7 1/2 per cent—last year's total was 7 1/2 per cent.

The profit does not include that which will become attributable to the Scheme of Arrangement involving Penguin Publishing is approved by the Court on October 27. This Scheme involves (inter alia) the issue of 4,331,250 Ordinary shares of Pearson, increasing the Ordinary capital to £16,167,613. Ordinary holders of Penguin registered October 27 will be entitled to an equivalent dividend under the Scheme of Arrangement is approved.

Group profit before tax, minority and pre-acquisition profit, advanced from £5.75m. to £5.50m. In the full year 1970, the tax profit was a record £419,363 and the single dividend paid 20 pence.

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Expansion at Ian Yates

Ian Yates, the private company which operates Europe's largest all-confectionery cash and carry warehouse at Levenshulme, Manchester, made a pre-tax profit of £120,000 in the year ended July 31, against £75,000 in the previous year. Turnover rose from £12m. to £15m.

Mr. Ian Yates, managing director, said yesterday he was looking for stable sites in South Wales and in the West Riding of Yorkshire for new warehouses.

The Manchester warehouse, which trades as Sovereign Cash and Carry, has attracted worldwide interest, said Mr. Yates. The name "Sovereign" has been registered in all the Common Market countries in readiness for a sales drive "to change the sweet-eating habits of Europe" if Britain joins the Six.

Mr. Yates also announced that the issued capital has been increased from £25,000 to £100,000.

Universal Underwear going well

At the annual meeting yesterday of Universal Underwear, chairman Mr. J. L. Turner said the company was still doing very well and the order book was still very full.

He did not necessarily expect margins to be maintained at the very high figure of 1970-71, but he looked for a further satisfactory increase in overall profit.

Mr. Turner reported that the third factory was now operating, and that further production facilities were being sought elsewhere; also possible acquisitions in related fields were being looked at.

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Utd. Real Property holds 15%

AN UNCHANGED final dividend of 10 per cent. by United Real Property Trust maintains its total at 15 per cent. for the year to 1971.

Revenue declined slightly to £37,444 from £36,495 subject to tax of £234,914 (£240,028), the reduction being attributed to lower interest rates from loans to local authorities. Dividends costing £39,620 have been waived.

At halfway, when pre-tax revenue was £437,522 (£468,923) directors said that total net rental and service income for the year would not differ materially from that of the previous year.

1970-71 1969-70

Gross rent & serv. inc. 1,639,809 1,553,779

Net income 1,404,633 1,377,779

Revenue before tax 1,404,633 1,377,779

Corpn. tax 213,837 209,214

Overseas tax 46,257 40,714

Net revenue 1,144,539 1,127,851

Minorities 1,921 3,992

Applicable 376,609 351,476

Tax added 558,108 549,669

Dividends 376,609 351,476

Forward 1,144,539 1,127,851

After dividend of 1970-71 and 20 pence in respect of 1969-70 ordinary shares.

ROADS (CONTRACTING)

As from November 1 next Roads Reconstruction (Contracting) will be known as the Roads Reconstruction Construction. This change will in no way affect the existing organisation.

NEW DEALINGS

Dealings started yesterday in the Working and District Water 91 per cent. Debentures. Issued at par the stock opened at 28 1/2 (£25-paid) and closed at 27.

INTERIM STATEMENT

RYCROFT (BRADFORD) HOLDINGS LIMITED

INTERIM STATEMENT

The directors have declared an interim dividend of 5 per cent. (less tax) in respect of the year ending 31 January 1972 which will be paid on the 10th December 1971 to shareholders on the register at 15th November 1971. This compares with the interim dividend of 4 per cent paid in respect of the year ended 31 January 1971.

Unaudited Trading results of the group for the six months ended 31st July 1971.

	Six months ended 31st July 1971	1970
Sales	£'000s	£'000s
	2,799	2,787
Estimated profit before taxation	140	120
Taxation at 40% (42 1/2%)	56	51
Profit after taxation	84	69
Minority interests	3	3
Net Profit attributable to shareholders	81	66
Amount absorbed by proposed interim dividend of 5% (4%)	44	35
Profits retained	37	31

After adjusting the sales figure for the discontinuance of retail activities, comparable figures show an increase of approximately 7% over those of the corresponding period of last year. Sales for August and September also show a similar rate of increase. As announced in the Press on 6th October 1971, United Builders Merchants Ltd are making an offer for the issued share capital of Rycroft (Bradford) Holdings on the basis of five ordinary shares of 25p each of U.B.M. for every six ordinary shares of U.B.M. have intimated that the offer document, which will be posted to shareholders as soon as possible, will contain full details of the offer.

COMPANY NEWS IN BRIEF

● **ANGLO-AMERICAN VULCANIZED FIBRE**—Final 10 per cent. making period last year Sept. 21, 1970, after tax of £14,000 (£13,000).

● **ANGLO-AMERICAN INDUSTRIAL CORP.**—Conversion rate applicable to payments in U.K. currency in respect of ordinary dividend No. 15 is 11-1/2 pence, equivalent to £2,750 for each share of £25.

● **CEYLON TEA COMPANY**—Results for 1970 reported October 14. Faced adverse, £29,154 (£12,507). Net current assets, £11,102 (£14,054). Credit September was £14,143, ahead of 1970 and seven reasonable weather for tea.

● **CEYLON RUBBER SYNDICATE**—Dividend 4 per cent. (same for 1970) payable with funds raised by Ceylon Rubber Company. Profit £10,495 (£12,871), less tax £4,807 (£4,807).

● **DAKERTIN (CEYLON) HOLDINGS**—Final dividend 2 per cent. making 3 per cent. (same) for current year. Payment of both dividends to group of shareholders from Ceylon. Net profit £25,759 (£19,952) after tax £13,500 (£10,000).

● **GEORGE TEA COMPANY**—Results for 1970 reported October 14. Faced adverse, £29,154 (£12,507). Net current assets, £11,102 (£14,054). Credit September was £14,143, ahead of 1970 and seven reasonable weather for tea.

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Eagle Star interim raised to 5½p

INCREASE in the interim dividend of 5p to 5½p is announced by Eagle Star Insurance for 1971. In 1970, the company paid a total of 12p.

The following companies have notified the Stock Exchange of their intention to pay dividends for the year ended June 30, 1971. The directors of the companies have announced that the dividends are not available for payment, although the rate of the dividend has been reduced to 5p.

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BOARD MEETINGS

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FUTURE DATES

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Rycroft growth

Rycroft (Bradford) Holdings, building and ironmongery merchants and copper-smiths, currently the subject of a bid from United Builders Merchants, announces a 17 per cent. advance in half-time profit to £140,000 and a one point rise in the interim dividend to 5 per cent. A total of 12 per cent was paid for the year to January 31, 1971, from a profit of £304,188.

Sales in the first half totalled £2,200,000, but after adjusting for the discontinuance of retail activities there was an effective increase of 7 per cent. August and September sales show a similar rate of increase, says the chairman, Mr. Denis Howroyd.

This bid from UBM is on the basis of five ordinary shares of UBM for every six ordinary shares of Rycroft. Full details will be posted to holders as soon as possible.

The company has retained G. T. Whyte and Co., a subsidiary of Triumph Investment Trust, as the directors will be considering certain acquisitions during the year to come. Mr. Whyte commented "a really exciting time."

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WESTMINSTER TRUST

Holders of the 8 per cent. Unsecured Debenture Stock, 2001-06 of Westminster Trust have approved the proposal for the exchange into 8 per cent. Unsecured Loan Stock 1999-07 of Land Securities Investment Trust.

Deals in this Land Securities stock and for the 3 per cent. Convertible to be issued under the offer for all the capital of Westminster commence to-morrow. In the case of the 3 per cent. stock such deals will be for deferred settlement on Monday, November 15.

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APPOINTMENTS

Mr. Peter D. Smith becomes Forward Leasing chairman

Mr. Peter D. Smith, a director of Forward Trust, has been appointed chairman of FORWARD LEASING in succession to Mr. T. E. Fisher, the chief executive of Forward Trust. Mr. Smith continues as managing director of the leasing company.

Mr. S. R. Berry, general manager of Forward Leasing, and Mr. A. C. L. Brown, an assistant general manager of Midland Bank Finance Corporation, have been made directors of Forward Leasing.

Mr. M. F. Strachan, chairman of the Ben Lins Steamers, has been appointed a director of the BANK OF SCOTLAND.

Mr. G. H. C. Clay has resigned as a director of GREENFRIAR INVESTMENT COMPANY.

Mr. Keith Paden (director of buying and distribution) and Mr. A. L. Grant (director of marketing and sales development), both directors of Fina Fare Supermarkets, have joined the main Board of FINE FARE.

Mr. David G. Filmer has been appointed technical director of the feed division of CROSFIELDS AND CALTHROP.

Mr. H. F. Asbridge, co-ordinator of sales of the BRITISH STEEL CORPORATION at its London office, is to retire at the end of October after 45 years in the steel industry.

Mr. J. R. Hughes has been appointed to the Board of HIGH-LIGHT SPORTS as production director.

Mr. Michael Berman has been



Mr. Peter D. Smith

tions adviser to the Gas Council, chairman. Mr. Black, who has been appointed a director of FINANCIAL PUBLIC RELATIONS. He will work in a part-time capacity.

Mr. R. S. Moore has been appointed an executive director of DOWTY GROUP SERVICES.

Mr. L. Sheldan, European vice-president of Delavan Inc., of the U.S., has been appointed chairman of DELAVAN-WATSON, a subsidiary of DOWTY GROUP SERVICES.

Mr. M. W. Dixon, Mr. R. W. Eiviss, and Mr. R. Isherwood have been appointed directors of HARGREAVES TRANSPORT.

Mr. R. L. Hancher has been appointed a director of CARRON COMPANY (HOLDINGS).

Mr. R. J. H. Farkes, formerly executive director (sales), J. BROCKHOUSE AND CO. has been appointed to the main Board and continues to be responsible for group marketing.

Mr. A. H. Griffiths and Mr. P. R. D. Bates, formerly executive directors, have been made divisional managing directors.

Mr. E. O. Baillie has joined MILLER CONSTRUCTION NORTH as managing director.

Mr. D. V. Ottewill has been appointed a local director of James Miller and Partners in London.

Two new directors have been appointed by J. W. CHORLEY. They are Mr. Tom Alchavach and Mr. W. G. Moore.

Mr. Will Camp, formerly director of information services, British Steel Corporation, and public relations adviser to the Gas Council, chairman. Mr. Black, who has been appointed a director of FINANCIAL PUBLIC RELATIONS. He will work in a part-time capacity.

Mr. R. G. Duthie, managing director of BLACK AND EDGINGTON, has been appointed chairman of the company on the retirement of Mr. D. C. Black. Mr. A. J. Barsham has been made deputy

manager.

Mr. D. C. Masey, previously chief accountant, has been made assistant general manager (operations).

Mr. Neville Wilson, managing director of Asley Acceptances (Mercantile Credit), has been appointed deputy general manager of the CO-OPERATIVE BANK. He succeeds Mr. Lewis Lee who became general manager of the bank in May.

Mr. A. Lever has become assistant general manager (banking) and Mr. A. Bassford assistant general manager (administration). Mr. Bassford will relinquish his duties as Manchester branch manager.

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Telephone Rentals progress

FIRST HALF group pre-tax profit of Telephone Rentals increased from an adjusted £2,315,000 to £2,592,000 and the interim dividend is maintained at 10 per cent. Although some slowing-down is to be expected in the second half, it is anticipated that the outcome for the full year will be satisfactory.

Last May, chairman, Mr. W. Stuart Philcox, said 1971 should be another very successful year, despite the costs and liquidity problems of the bulk of customers in industry and commerce.

For the year 1970, pre-tax profit was £2,545,000, on which dividends totalled 30 per cent.

Profit before tax: 1971 1970 1969
£2,592,000 £2,315,000 £2,000,000
Taxation: 1971 1970 1969
£500,000 £400,000 £300,000
After depreciation: £2,092,000 £1,915,000 £1,700,000
Associated company share of profit: £100,000 £100,000 £100,000
Total tax charge includes the associated company share of £100,000 (£100,000 and £100,000) and overseas £151,000 (£130,000 and £130,000). The figures do not provide for transfers to tax equalisation which, if calculated on the normal basis, would amount to £247,000 (£186,000 and £186,000).

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See Lex

AB Electronic prospects

Long and Hambly meets forecast

On a turnover of £8.64m. group pre-tax profit of Long and Hambly amounted to £221,308 for the 16 months to July 31, 1971. The figures for the previous year were £231m. and £155,510.

Net profit for the period was £140,366 against £77,390, after tax of £80,837 (£58,330).

The final dividend is 18 per cent, as forecast, making 23 per cent for 16 months (17 per cent for year). The company manufactures rubber and plastic mouldings, etc.

Securities Trust of Scotland

Gross investment income of Securities Trust of Scotland increased slightly from £971,386 to £983,156 in the half-year to September 30, 1971. Franked income contributed £717,210 (£689,637).

Gross income for all the year to March 31, 1971, was £1,941,570. An unchanged interim dividend of 21 per cent is declared, and the directors expect to maintain the year's total at 6p per 25p share.

At September 30, investments, including full dollar premium of £2,003,120 (£2,045,245), were valued at £46,872,274 (£38,314,157) and net current liabilities were £31,072 (£381,008). The net asset value per share, deducting prior charges at par, was 183.53p (139p).

Statement Page 30

Crossland profits rise

Pre-tax profits of R. and A. G. Crossland rose from £112,151 to £115,331 in the first half of 1971 and the interim dividend is rounded up from 84 per cent to 85 per cent.

Chairman, Mr. B. W. Reynolds says order books are in a "very healthy state" and there is every indication that the trend of improved profits will continue in the second half. In 1970, pre-tax profits were £22,227 and the total dividend 25.53 per cent.

As forecast in June, the profits short-fall in the first quarter of the year has been rectified in the second quarter.

The group manufactures electric lighting equipment, pressings, etc.

Better year for Brasway

Addressing the annual meeting of Brasway, Mr. R. A. Swaby,

You'll probably be after our new Rover.

Rover 3500S 3528cc £1,977	400ft	425ft	450ft	475ft	500ft	525ft
Import 2979cc £2,231						
Import 2496cc £2,992						
British 2994cc £2,182						
British 3294cc £1,514						
Import 2494cc £2,999						

All prices rounded to nearest £.

How Rover's distance covered in 9.5 secs leaves the others trailing.

Source: Rover's own tests. Others—Aussar and Motor road tests.

Look how Rover's forged ahead this year. Acceleration of our new 3500S is 0-60 mph in 9.5 seconds. But what really counts, as motoring journals will confirm, is the distance covered in that time. Right up the range, Rover out paces cars costing about £1,000 more. Up to 30 mph, for example, the 3500S covers 34.7% more ground than a £2,992 import. And as you can see from a standing start, after 9.5 secs we leave everyone else behind. Our new 125 mph chart buster is the manual version of the proven 3500 Automatic. You'll recognise one by the grained vinyl roof and brushed stainless steel spoked wheel trims. The 3500S has a V8 engine, twin carburettors, all synchromesh gearbox and large bore exhaust plus all the features that earned Rover a gold medal for safety. At £1,977 it's going to be hard to follow.



New Rover 3500S £1976.88.

Recommended price (inc pd ex works excluding delivery, number plates and seat belts).



'Reasonable' profit for Kettton

Chairman of The Kettton Portland Cement Company, Mr. A. R. points out in his annual report that the selling prices of cement are virtually frozen until end of July 1972. His being so, income resulting from the increase in selling price in May 1971, he says, may be considerably eroded by the increased costs already accrued and as accruing during the present year.

Better year for Brasway

Addressing the annual meeting of Brasway, Mr. R. A. Swaby,

BY STANLEY WEBB

THE Church of England, which is increasingly being called "the Tory party at prayer," has recently been taking a more positive interest in the human problems of industry. In East Anglia, the centre of the four dioceses of Norwich, Ipswich, Ely and Peterborough recently took part in a one-day conference at the University of East Anglia which was attended by a number of industrialists, trade union officials, and local authority planners.

The moving spirit was Canon Michael Mann, industrial adviser to the Bishop of Norwich. As vicar of Port Harcourt, in the diocese of Hereford, he has found that the impact of the highly technological oil industry on a primitive tribal society was creating a severe rift, similar to that he later found between town and country in the diocese of Norwich, to which he was called when illness obliged him to leave West Africa.

"The Church is often accused of that of human values and the quality of life... The East Anglian is accustomed to the closely-knit relationships of the smaller community, and has not come to grips with the problems of growth, the growth of the larger urban areas, and the consequent loss of homogeneity and integration. He finds the transition painful and baffling. We are losing our socially-balanced community. We do not want to become so over-organised that individual choice and freedom is lost.

"We want a better standard of living and particularly more money," says the report, "but we are not willing to travel outside the region to look for it. We want more jobs, but we dread the thought of an industry polluting our countryside. We would welcome more tourists provided they are not too intrusive and obvious. We realise we cannot achieve these aims without the help of other people, those who plan, and we resent decisions being thrust upon us.

There is a chronic problem of unemployment particularly among older unskilled men, whose plight and the absence of any sign of conditions likely to improve, their lot promises to be bleak. The local feeling that the area needs a boost to promote industrial development.

"However, although there are nearly 100,000 people employed in the county, there are still large industries. Only six or seven organisations employ more than 1,000 workers, and the record of closures and redundancies in the past year is not encouraging for the future. The county is a net exporter. Moreover, there is no queue of prospective employers, no foot-loose industries. I can count on the fingers of one hand the total number of people who have wanted to build factories here over the past seven years."

Yet the Hunt Committee, set up by the last Government to investigate the unemployment problem of grey areas, has no reason to give special help to East Anglia.

lates helped to keep open the railway from Norwich to Cromer and Sheringham.

The East Anglian labour force is small and there is little or no industrial turnover; nor is there unwillingness to move. But outside the major centres there is the problem of bringing new people to the area, particularly since mechanised agriculture is capital rather than labour intensive.

Norfolk County Council has had considerable success in inducing firms to come into the county, and by doing so has created about 12,000 new jobs over the last 12 years, despite being unable to offer any financial inducement.

Labour pool

Mr. B. A. Ward, the county's industrial planning officer, cites as an example the case of Humberstone, in Norfolk with 2,000 to 3,000 inhabitants, where one agricultural machinery firm has set up a factory providing 500

Labour pool

Mr. R. A. Ward, the county industrial planning officer, cited as an example the case of *Harleston*, a town in south Norfolk with 2,000 to 3,000 inhabitants, where an agricultural machinery factory has set up a factory providing 500 jobs for the local population. The most part, "once only" operators, since the available pool of skilled labour in each place is small.

A welcome to the Church's industrial mission. In particular, Canon Mann's dynamism makes him an effective catalyst. His study groups have initiated a dialogue among people who now sit down together and exchange conflicting views without acrimony, and with a freedom and frankness that would not be found in the formal gatherings. They get to know each other better and increase their understanding of regional affairs.

But a report such as that which followed the hishops' conference inevitably raises problems which discussion alone cannot cure, and which depend for their solution on an improvement in the general economic climate. As Mr. Simpson said: "People come to me for work. Spiritual scars heal once the man finds a job."

Big problem

tinuous and weak social services. These are combined with the high rate of unemployment in the country—made up partly by immigration both of working and retired people, and partly by a rising birth rate.

The first fruit of the bishops' enquiry is a report, entitled: "East Anglia: Where Are We Going?" Finding the right pattern for the region's future is not, the report says, just a matter of assembling the right people, but of allowing for some sociological ones.

"There is another dimension

There are about 12,000 unemployed in the Norwich diocese, more than 2,000 of whom are in Norwich itself, a high proportion middle-aged or elderly, and many of whom are in need of work for up to six months.

"We have always been about one degree under the general economic climate," said Mr. Harry Simpmose, area manager of the Department of Employment, with jobless figures usually slightly higher than the average (although not since the current general rise in world's).

To-day's Events

PARLIAMENTARY BUSINESS:
House of Commons: Opening of six-day debate on the subject of Kingsdom and the Subject Communities.
House of Lords: Debate on the workings of the Whitley machinery in the National Health Service.
LORD MAYOR'S ANNUAL DINNER FOR CITY BANKERS AND MERCHANTS, 11.15 a.m. at the Grosvenor Hotel.
Principal guests: Mr. Anthony Barber, Chancellor of the Exchequer; Sir Leslie C'Brien, Governor of the Bank of England; Sir Martin Laker, chairman of the Stock Exchange; and Sir Henry Mance, chairman of Lloyd's.
ROYAL COMMONWEALTH SOCIETY, 11.30 a.m. at the Grosvenor Hotel.
Guests: Herbert Morrison, Minister of Health; Lord Hailsham, Lord Chancellor; Sir

for the Study of Political Trends, Hamburg, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844,

INTERNATIONAL PROPERTY DEVELOPMENT, Great Eastern Hotel, 11 (Chairman, Mr. R. S. Rowland.)

JOHNSONS (HPL), 225, Hendon Way, N.W., 5.45. (Chairman, Mr. E. S. Hoeghland.)

KEYSER ULLMANN, 31, Throgmorton Street, E.C.4, 12.15. (Chairman, Mr. C. J. H. B. Jones.)

NEWTON (JOHN M.), East Grinstead, 2. (Chairman, Mr. J. Spindlow.)

OLIVER PELL CONTROL, Charing Cross Hotel, 12. (Chairman, Mr. B. W. A. Nicholson.)

PLESSEY, Millbank Tower, S.W., 11.45. (Chairman, Mr. S. J. Clark.)

STEPHEN (ALEXANDER), Glasgow, 11. (Chairman, Mr. R. Kemp.)

CERAMIC DESIGN COURSE

A post-graduate course in industrial ceramic design and a graduate course in fine arts will start next September at the North Staffs. Polytechnic.

Mr. Arthur Bryan, chairman of Wedgwood and of the British Pottery Manufacturers Federation, said the introduction of the courses was a great achievement. The ceramics course would be beneficial to the local pottery industry whose life-blood depended on its design education.

Today, National Westminster Bank opened a Representative Office in Tokyo, in the renowned Kokusai Building.

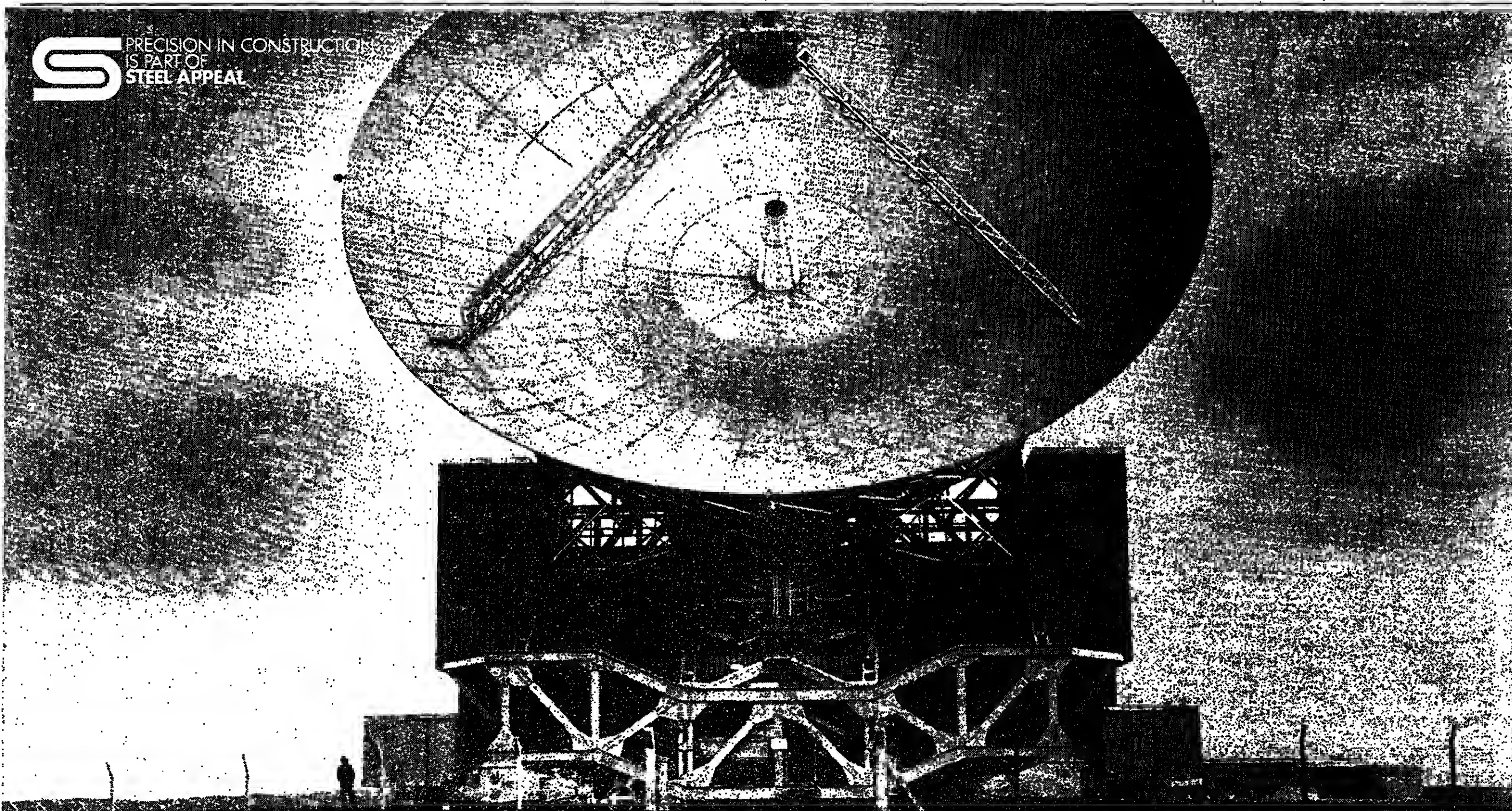
Our Representative, Mr. D. G. Woods, is available for consultation and advice on all problems of Japanese and international trade and finance, and is supported by the resources and expertise of one of the largest banks in the world.

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INDUSTRIAL TRAINING

The new thinking at GUS's

BY ELSBETH GANGUIN

EVEN IN 1971 there are still companies—even big ones—immersed in the process of painful transition from running their businesses in an autocratic or patriarchal manner to employing broader, more democratic management structures and appropriate personnel policies. The mail order division of Great Universal Stores, with its headquarters in Manchester, is a case in point.

GUS's mail order side employs some 10,000 people. About 40 per cent. of them do general clerical work and roughly a similar number man the warehouses. The rest deal with sales or administration. All are governed by a "functional" Board, which concerns itself with marketing, merchandising, operations, finance and management services.

Better service

These new personnel policies are aimed at giving a better and more efficient service, in as economic a way as possible. Mr. Harris added: "At one time with our method of trading, it was not necessary to be particularly efficient." But, he admitted, while the good will was there the actual introduction of appropriate methods of man-management and communications still presented problems, even though they were now interested in learning how to tell people how to do things instead of simply saying to them, "Do it."

As a first step, GUS appointed a personnel manager, a management services director and computer and other experts, all from outside. About 20 graduates have been taken on, too, over the past three years. Then, about a year ago, the top 30—most of whom had grown up with the business—were taken for four days into seclusion at Chester, under the auspices of Professor Roland Smith of the Department of Management Sciences, University of Manchester Institute of Science and Technology. For the first time, Board and senior managers were "confronted" with each other as a "group". The results, it is claimed, were highly beneficial.

It was realised by all, for instance, that the previous "one decision from the top" could, with advantage, be replaced by a positive interaction of management skills. To clarify this further, an American Management

Association "package," designed to improve management performance, was acquired, and for five months the same top people were subjected to films and lectures (in conjunction with the Manchester Business School), he brought in. The main object is "to provide the right kind of environment for change."

As for the "troops," who make

to be brought into a programme for middle management, too, while appreciation training concerned with developments within the organisation, like budgeting control, or computerisation, will be subject to a good deal of homework in between. This seemed to do the trick.



Milton Hill, Berkshire, which W. H. Smith and Son has bought for staff training. The annual training budget comes to £175,000.

But to forge still broader foundations for the "working together as a group," a two-year, once-monthly lecture programme has now been arranged with the help of Manchester University, complete with dinners and subsequent discussions.

Of course, it is one thing to process the senior management group, and quite another to let this new thinking filter through to middle management and the ranks. As Mr. Harris says, "We are still in the middle of all these things." For instance, there remains the need to introduce job specifications and a system of appraisal, while middle management needs to learn techniques related to developments in the organisation and to man-management.

All this, Mr. Harris intends to have done internally. But he believes he must start at the top. Thus the top group will first be told about appraisal systems and how to identify other people's potentials, and so forth. This is to be done between now and December, largely by GUS's management development officer—also a more recent acquisition. Parts of the American "package" are likely

up 80 per cent. or so of the complement and are mostly unskilled or semi-skilled, the first change involved working conditions. Old cotton mills have given way to modern office blocks, and the hope now is for a better calibre of recruits who may value their jobs and stay.

Already, I was told, annual turnover among the women was down from around 100 per cent. to around 60 per cent, a count which includes the "temporaries." Many of them do repetitive work, like the group of women involved in nothing but opening envelopes. I suspected the biggest labour turnover in that department, but was corrected: "The women like this kind of work."

One in the eye

If this is true, this whole department is clearly one in the eye for the advocates of job enrichment! Apart from Manchester, GUS has office blocks in Burnley, Preston, Bolton and Wigan, and a modernised mill at Oldham. Putting the office operations where staff is available. In those places, too, operations were quite satisfactory. Nor did any high labour turnover occur among the computer operators, sitting row on row and transferring the agents' orders into the machine.

There are clearly many knots still to be tied together at GUS. W. H. Smith and Son, on the other hand, which employs 11,000 full-time and 8,500 part-time staff in its bead office and its 117 wholesale houses and 492 retail outlets, spent £95,000 earlier this year on a college of its own—Milton Hill in Berkshire, a lovely

historical place in 50 acres of ground. The annual training budget comes to £175,000, and 225 "course days" are on the books.

During a visit to Milton Hill the other day, Mr. Julian Smith, the staff and training director, emphasised that training was the definite responsibility of line

management training plan for head office, retail and wholesale staff, culminating in an integrated three-week senior management course. "In theory everyone is trained for the next job up, not for his present one," said Julian Smith. Laying stress on the "participatory" nature of the courses, he suggested that in the Milton Hill environment trainees were induced to "learn for themselves." The nine instructors are seconded for three years from line management, another interesting Smith philosophy.

At a financial appreciation course for senior retail area and large shop managers, which was running on the day of my visit, W. H. Smith's annual report and accounts was the subject of the lesson. The trainees were encouraged to regard themselves as shareholders, and to quiz the chairman on just about every point in his statement.

Democracy was taken as far as to suggest to the Smith employees that questions might even be asked about the directors—why were they appointed? Another course in session was for female shop assistants facing "their first step up." They were busy solving such retail management problems as dealing with a customer who argued that she had given a £5 note, not £1, in payment of goods she had bought. (The solution which met with the greatest approval was the suggestion that no fags should be made and that the customer's word be accepted.)

Were they likely to become branch managers? "Unlikely" was the answer. The company would like to have more female managers, but they are not mobile enough. "We asked a class of 20 the other day how many wanted to become branch managers, and only one hand went up."

IN BRIEF

● The Rubber and Plastics Processing Industry Training Board promises a precise training action plan which, when fully operational, will enable companies "to move away from the sometimes irrelevant digressions of the former methods, and to use training as a direct factor in greater profitability and greater productivity."

● The Air Transport and Travel ITB has published a Handbook of Training Practices as the first part of a new training package, to provide those responsible for training activities with examples of training practices recommended by the Board. The Paper and Paper Products ITB, in turn, has come out with a booklet on accident prevention, on which it has been congratulated by Mr. Carr.

● Finally, there is a new Careers Guide, 1971-72, available from the Stationery Office for £1.30 (£1.50 by post), which, on 400 pages, gives "authoritative and unbiased information on careers in the professions, industry and commerce."

● Tack Management Training is to hold courses in profit improvement in Majorca. The first group will leave Gatwick on November 27. The cost—£175, including a £20,000 insurance cover. Eight days will be spent on the island, five of them as "training days" on such subjects as improving profitability, financial analysis, sales forecasting, budgeting, and so forth. "New and different surroundings can themselves contribute a sense of occasion which will facilitate the learning process," says Tack.

● The Local Government Training Board (a voluntary body) has produced a training recommendation for staff engaged in personnel work. "The management, training, development and welfare of the 2m. local government employees in England and Wales is a major responsibility of managers at all levels," it says in its introduction. The actual training recommendations are aimed at the "specialist support" these managers should be able to call on in the shape of personnel and establishment officers.

Pole vault to Tokyo with JAL

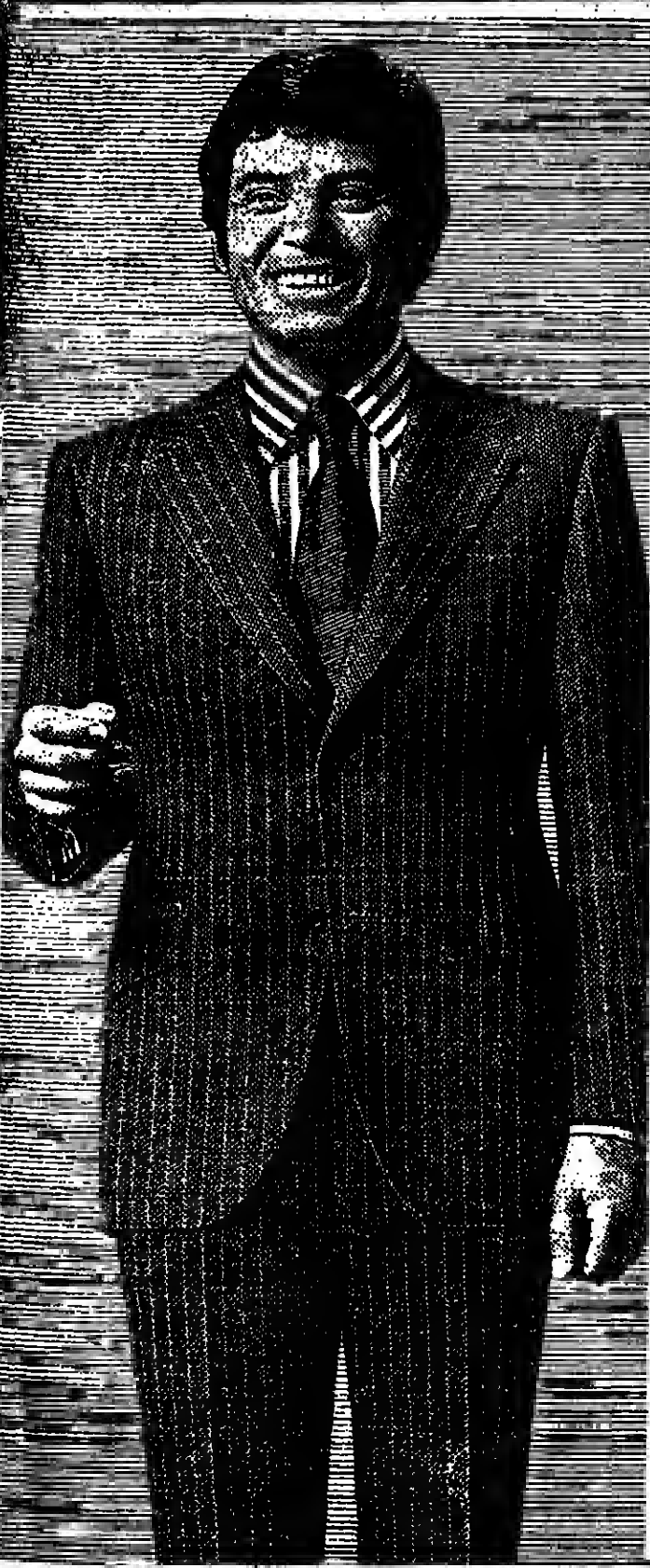
Four times a week JAL's Polar Route gets you to Tokyo in two giant strides. But all the exercise you need take is just enough to lift a cup of sake, to sip champagne and nibble *otsumami* while you wonder why the Arctic Ocean looks like a marble slab... and if all Japanese girls are as charming as your JAL hostess. Meanwhile there are several more delightful hours to Tokyo.

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and other good men's shops and stores throughout the country

Victaulic planning sales drive

By David Walker

VICTAULIC, part of the Tubes Division of the British Steel Corporation and one of the largest mechanical joint manufacturers in Europe, is planning a major sales drive for its pipe joints in the heating, plumbing and ventilating markets.

The project, due to start in the spring, follows two years' work by the company to gain acceptance for the joints by fire sprinkler systems manufacturers. To-day, nearly every U.K. manufacturer of such systems is claimed to use the joints, which offer better assembly times than traditional welded or flange and bolt pipe joints, to a greater or lesser degree.

The move to fresh markets for what is basically a 40-year-old product represents a significant diversification programme for the company. In the past, it has concentrated largely on its Vitec Johnson pipe couplings, used largely in the shipping industry and other marine and water applications.

Those account for the major share of the company's £4m-a-year turnover, of which 40 to 45 per cent. is from overseas sales. Its major customer for Victaulic trade-marked joints has been the National Coal Board.

The change of direction comes after the drawing up of a licensing agreement between the BSC subsidiary and Victaulic Company of America—in which it no longer has any financial interest—for the U.K. concern to manufacture portable pipe cut and roll grooving tools developed in the U.S.

Available on hire to U.K. customers, those allow easy on-site assembly of pipe systems. In the U.S., the heating, ventilating, plumbing and air conditioning sectors already form major market interests for the Victaulic Company there.

Within a few years, Mr. W. Orr, sales manager, forecast those should prove the dominant markets in the U.K. too.

Sales for fire-fighting systems, worth £25,000 last year in the first 12 months of commercial marketing for that purpose, should also see rapid growth. Strong exports potential also existed, he stated.

He stressed that the changes in emphasis meant real expansion for the company, rather than a mere re-alignment of customer shares of existing output.

MOVITEX LIMITED

Signs—Records—Engineering

Points from the Statement of the Chairman, Mr. R. W. Bulfield, for the year to 28th February, 1971:—

Further steady progress—in spite of extremely difficult business conditions throughout the world.

★ Sign Division: Solid progress—overseas operations expanded. The acquisition of Adapta Charts has been harmoniously and efficiently integrated.

★ Record Division: Steady progress and margin maintained on increased turnover. Several projects for expanding this division are under active consideration.

★ Engineering Division: Trading more profitably and the level of orders has picked up.

★ The Current Year: It is intended to make a bonus issue of one for two and pay an interim dividend of 5%, and a final of 12½% on the increased share capital. This is equivalent to a 28½% dividend on the old capital.

	1971	1970	1969
*Share Capital	287,054	287,054	191,389
*Profits (before tax)	221,035	192,291	156,782
*Net Profits (after tax)	137,501	104,459	87,394
*Gross Dividend	20%	20%	15.5%
*Earnings per share	4.80p	3.63p	2.83p
*Bonus Issue of 1 for 2 proposed			

Cannon Street Investments Limited

Notice is hereby given of the appointment of Lloyds Bank Limited as Registrar with effect from 15th October, 1971.

All correspondence and documents for registration regarding the Stock and Share Registers should in future be sent to:—

Lloyds Bank Limited,
Registrar's Department,
The Canseway,
Goring-by-Sea,
Worthing,
Sussex.

Telephone: Worthing 44741 (STD Code 0903)

Rowe White & Co. Ltd.
Secretaries.

INTERIM STATEMENTS

WEIR

THE WEIR GROUP LIMITED

INTERIM STATEMENT

Results for 25 weeks ended 25th June, 1971. Subject to Audit CONSOLIDATED PROFIT AND LOSS ACCOUNT

	25 weeks to 25 June, 1971 £'000s	25 weeks to 26 June, 1970 £'000s	52 weeks to 1 Jan., 1971 £'000s
TURNOVER	33,229	29,976	68,445
Profit before interest & tax	1,910	1,807	3,620
Interest payable less receivable	1,002	836	1,840
PROFIT BEFORE TAX	908	971	1,780
Estimated Taxation	253	272	379
Tax adjustment for prior years	—	—	(72)
PROFIT AFTER TAX	655	699	1,473
Profit attributable to minority interests	25	23	28
PROFIT ATTRIBUTABLE TO THE WEIR GROUP LTD	630	676	1,445

INTERIM DIVIDEND

An interim dividend of 8% (1970: 8%) will be paid to Shareholders for the 52 weeks ending 31st December, 1971. Payment will be made on 6th December, 1971 to Members on the Register at close of business on 5th November, 1971.

TRADING AND PROSPECTS

Orders received and invoiced sales were 6% and 11% higher respectively than in the first half of 1970. The Engineering Division should show higher profits for 1971 on increased sales. The other Divisions should all show improved performances over those of 1971, with the exception of the Foundries Division, where profits will be affected by reduced demand. The final outcome of the Group's operations for the year is expected to be much the same as in 1970, and should enable the Directors to recommend a final dividend of 14% (1970: 14%).

THE WEIR GROUP LIMITED
CATHCART, GLASGOW, S.A.

William Baird

& Company Limited

Interim Report for the half-year ended 30th June, 1971

An interim dividend of 4 per cent. (1970—4 per cent.) requiring £449,000 gross, was declared yesterday on the Ordinary Stock of the Company in respect of 1971. It will be paid on 7th December, 1971, less Income Tax, to those Stockholders on the Register on 9th November.

	1971 Unaudited First Half-year £'000	1970 Unaudited First Half-year £'000	Audited Full Year £'000
Operating Profit			
Textiles	503	345	707
Industrial	259	231	563
Mining			
Sierra Leone Development Company	118	(228)	57
Services	163	137	394
Investment	240	381	793
	1,281	888	2,514
Central administration	(102)	(93)	(190)
Interest	(287)	(288)	(637)
Profit before Taxation	892	476	1,687
Estimated taxation	(335)	(125)	(311)
Profit after Taxation	557	350	1,376
Minority interests	8	28	22
Profit for Period attributable to Ordinary Stock	565	378	1,398

Interim Statement

Group As expected, profit before taxation reflects a significant improvement in Textiles, a satisfactory result from Industrial end a reduced return from Investment. In Mining, Services continued to make steady progress, but the contribution from the Sierra Leone Development Co. was at a lower level than in the second half of 1970. The charge for taxation has returned to a more normal basis.

Textiles Results for the half-year include a useful increase in the profit of the established units and one month's contribution from J. H. Buckingham & Co. U.K. garment operations have continued to expand sales. The spinning mills have had difficulty in securing sufficient orders to maintain multi-shift working on a continuous basis, but the cloth manufacturing units have made a strong recovery from the aftermath of the major fire in 1970. The Italian operation continues to be bedevilled by labour unrest and frequent strikes. Results for the second half of the year should maintain the improvement achieved during the first half end, in addition, will include a full six months' contribution from Buckingham.

Industrial The small increase in profit over the first half of last year was achieved despite the severe difficulties in some engineering markets served by the company, including the aero-engine industry. Much of the business is geared to demand for types of capital plant in which recovery will not be immediate. The volume of work on large specialist contracts which are in hand is increasing. A fifty per cent. addition to fine magnesia chemical capacity has recently come into service. The final profit for the year 1971 is expected to compare not unfavourably with previous years.

Mining Production of iron ore concentrates by the Sierra Leone Development Co. showed a marked increase over that of the first six months of 1970 and there was a noticeable improvement in quality. Since then, operations have been hampered by two derailments on the company's railway which, combined with the continuing rise in costs, will limit profitability in the second half of the year. Late in 1970 and in the early months of 1971, demand for iron ore was strong. In the second quarter of 1971 this trend was abruptly reversed, world production and sales of steel turning sharply downwards, leading to a substantial surplus of iron ore production capacity. For the remainder of this year no difficulty is expected in disposing of the mine's production, but if there is no improvement in world steel markets by the year-end, the outlook for 1972 cannot be regarded as encouraging. The other companies in the Mining division continue collectively to show improvement.

Investment As foreshadowed in the Annual Statement in May, Investment Income showed a substantial reduction in the first six months of the current year, and this trend will continue for the remainder of 1971. Several factors contribute to this shortfall. Income in 1970 was boosted by a number of special receipts; a lower return from the major investment in Joseph Dawson (Holdings) will occur in 1971 and resources available to Investment have been reduced mainly to help with the acquisition by Textiles of J. H. Buckingham for £3.5m. in cash. In the process, a number of investments have been realised on advantageous terms. The balance of the 9 per cent. loan notes in Joseph Dawson (Holdings) has been repaid recently ahead of schedule. Group cash flow is also expected to be positive from now on, leading to an increase in the resources available for Investment in 1972.

Outlook For 1971 as a whole, the expectation is still for a marked increase in pre-tax profits, with the benefit of this offset by a return to a more normal tax charge. The intention is to maintain the year's dividend at 11 per cent. with a final payment next June of 7 per cent. Looking to 1972, the problems facing the mining company are considerable, but the resilience of Textiles and Industrial in the face of difficult conditions in their respective spheres encourages the belief that they will do well when the economic climate improves. There are some signs that the textile industry is beginning to feel the effect of the various stimulants to demand but it is likely to be some time yet before the engineering industry also begins to benefit.

S. A. FIELD, Chairman.

SECURITIES TRUST OF SCOTLAND LIMITED

Unaudited Interim Report six months ended 30th Sept. 1971

Revenue

	30th September 1971 £	30th September 1970 £
Gross Investment Income		
Franked ...	717,210	669,637
Unfranked ...		
U.K. 100,038	139,492	
U.S. 156,320	149,201	
Other 8,568	13,059	
	£982,136	£971,389

The Directors have declared an interim dividend of 2½p (2½p) on the Ordinary Shares 25p for the year to 31st March 1972 payable 10th December 1971 to the Shareholders on the Register as at 6th November 1971. The Board expects to maintain the total dividend for the year to 31st March 1972 at 6p.

Investments

	£	£
Valuation of Investments including full Dollar Premium of £2,003,120 (£2,045,243)	46,872,274	38,314,157
	311,072	381,008
Net Current Liabilities	£46,561,202	£37,933,149

Net Asset Value per Ordinary Share 25p:

	183.53p	139p
Deducting prior charges at:		
Per ...	197.90p	156½p

MILK DELIVERY CHARGE 'LIKELY'

A warning that delivery charges might soon be imposed for daily milk deliveries was issued yesterday by the North Midlands area of the National Dairywomen's Association.

Mr. Ron Wilcox, regional secretary, said the charge was likely because of the withdrawal of an allowance to wholesale suppliers for getting milk to delivery men.

'BIGGEST HEATING SCHEME'

A working model of the "biggest district heating scheme in the country" can be seen in London next week. It illustrates Peterborough Development Corporation's £2m. scheme at Bretton, the first of "Greater Peterborough's" new townships. It will be featured at an exhibition about Peterborough at the Royal Lancaster Hotel, Lancaster Gate, next Monday to Friday.

SHORT SKYLINER

A Short Skyliner aircraft has left Belfast on a sales tour of the Far and Middle East. The aircraft is being flown directly to Nagoya in Japan, where it will form a major part of Short's participation in next month's Japan International Aerospace Show.

This will be followed by an intensive seven-week demonstration and sales tour covering Japan, Malaysia, Burma, Nepal, India, Iran, the Lebanon and Greece.

Stores' deal with union 'almost meaningless'

BY ALEX HENDRY, LABOUR REPORTER

A NATIONAL agreement between the shopworkers' union and British Home Stores is shown to be almost totally meaningless by a report published yesterday by the Commission on Industrial Relations.

The agreement was signed in June, 1969, after a strike at a store in Swindon. It recognised the Union of Shop, Distributive and Allied Workers as the "sole" union for British Home Stores employees. But USDAW had less than 5 per cent of the staff in membership.

Pay dispute

A further dispute developed at Swindon when the union lodged a wages and conditions claim, and the threat of strike action led to the CIR investigation. The company argued it could not negotiate the claim because wages and conditions at its 95 stores were determined centrally, and USDAW could not negotiate at that level because it represented so few of the workers.

The union's reply was that it did not seek national negotiations but wanted local deals in those stores where it had a majority of the workers in membership.

The CIR reports that it has not been successful in helping the

two sides sort out the main problem of whether local deals can be negotiated against the background of the company's central policy.

It recommends that the company should be prepared to take the union into its confidence when it is considering changes in the terms and conditions of employment and "give full weight to the views of the union representatives and to allow its decisions to be influenced by the aspirations of the union members and the wider experience of their full-time officials."

The CIR has some sympathy with the union's difficulties in trying to recruit members in the industry. It says that at British Home Stores in 1969-70 the average weekly number of employees was 12,226, including 5,239 part-time of whom 4,000 work only on Saturdays. The turnover rate among full-time employees has averaged over 70 per cent.

It says of union membership: "Permanent strength is to a considerable extent, a reflection of management policy." And it adds that if the company is prepared to follow the CIR recommendations it will have to drop its present 'neutral attitude' to union membership.

The report goes on: "It should be prepared to consider the best

means open to it of bringing to the attention of its employees the advantages of them joining the union that the company formally recognises, and of encouraging them to take that step."

But USDAW does not escape criticism. The report says: "The weaknesses revealed during the course of our inquiries cannot all be attributed to the attitude and conduct of the employer or to the constitution of the labour force. We came across evidence of lack of attention on the union's part to the needs of its membership."

It adds: "There appeared, too, to be considerable room for improvement in the methods and machinery for communicating with both members and potential members."

'Disappointed'

A spokesman for USDAW said last night that the union had "received the report with the utmost concern and disappointment." He said the main recommendations fell short of any formula that would allow the union to achieve its rights to represent its members.

A spokesman for British Home Stores said the company had no comment to make.

Austin-Morris men at Oxford accept pay offer

BY OUR OWN CORRESPONDENT

SOME 4,000 hourly-paid workers at the Austin-Morris car body plant at Oxford voted to-day to accept the company's latest pay offer, varying from £1.50 to more than \$4 a week.

This brings their rates up to between £2 and £4.80 for a 40-hour week. About 100 men in the lowest grade, who will get the smallest increase, have also been awarded a special payment of £100.

The pay award covers all the manual workers who are not employed on the production lines and include sweepers to skilled fitters and electricians. Men on work to be either 60 pieces per week or a flat rate of £43 for a 40-hour week.

Farm pay deal: meetings will test reactions

By Our Labour Correspondent

THE £20m. pay award made on Tuesday to 350,000 farm workers in England and Wales will be considered by the national executive of the National Union of Agricultural and Allied Workers at its meeting next week.

The union negotiators have already expressed extreme disappointment at the award which will give adult male workers a 14.5 per cent increase of £16.20 an increase of £14.50 for a 40-hour week from January. They had sought a rate of £18 for a 40-hour, five-day week. First reactions to the award, which has yet to be confirmed, will come this week-end at a "policy" conference in Cheshire, where Mr. Reg Bennett, the union's general secretary, will be the chief speaker, and in Dorset. The union has complained that the increase will not even cover the cost of living. Some of its more militant branches may call for some sort of protest action.

The award does not cover the 40,000 farm workers in Scotland, who have a claim in for a basic rate of £18 for a 40-hour week. The present minimum wage for general farm workers in Scotland is £15 for 42 hours. The claim will be considered at a meeting of the Scottish Agricultural Wages Board next month.

Austin-Morris also announced to-day that it is cancelling its "immediate plans" to close the export packing factory at Oxford by the end of the year.

The closure had been strongly opposed by the unions and after national level talks at Oxford last week ended in deadlock there were more discussions at the factory this week.

Chrysler peace

The 400 employees there pack car sets which are shipped to Austin-Morris assembly plants overseas. The company announced last month that it wanted this work to be done by a productivity agreement.

Andrew Hargreave, Scottish Correspondent, writes: A strike by

OXFORD, Oct. 20.

120 setters at Chrysler's Linwood (Renfrewshire) factory which resulted in hundreds of other workers being sent home were told to report for work for the night shift to-night or to-morrow morning.

The strike, which began earlier to-day, was over pay subsequent talks between union representatives and the management led to a basis for a return to work being found.

Last week the unions submitted a claim for an 8.5 week pay increase and a 35-hour week on behalf of 5,000 production workers. Their pay and productivity agreement is due to run out at the end of this year.

Swan Hunter fitters go back to work

THE five-day unofficial strike of 700 fitters in the five yards of Swan Hunter shipbuilders was called off at a mass meeting at Walshead yesterday.

The return to work began with last night's shift. The 70 ancillary workers, laid off because of the stoppage, were also going back to work to-day.

The fitters, who had already banned overtime in demand for bigger bonuses, walked out on Friday after 26 of their workmates were suspended at the Neptune Yard, Walker, for refusing to work dimmer-hour or overtime during machinery trials in the new missile-destroyer Bristol.

Their decision to go back followed a peace formula agreed between the Swan Hunter management and Mr. George Arnold, divisional organiser of the AEUW, and the men's shop stewards.

The 25 suspended men have been reinstated and the fitters have lifted their overtime ban. There will be a meeting to-morrow between the two sides to resolve the men's grievance. Mr. Arnold said that if necessary he would progress the claim through accepted negotiation.

ing. procedure if there was no settlement at yard levels.

Mr. Arnold, who is also chairman of the Tyne District Committee of the Confederation of Shipbuilding and Engineering Unions, said there would be an early meeting of the emergency committee to discuss the feasibility of applying a common pay policy in Tyne shipyards to avoid the disputes which have arisen this year over wage claims.

TANKER LAUNCHED BY SWAN HUNTER

Swan Hunter Shipbuilders yesterday launched a 28,000-ton deadweight chemical products tanker, Chemical Explorer, at Hebburn Shipyards for the Naess Group. This is the first of two similar vessels ordered two years ago at a cost of £8m. The second is due to be launched next year. The two ships will be operated by Anglo-Eastern Bulk Ships. London and will be managed by J. and J. Denholm, Glasgow.

INTERIM STATEMENT

S. Pearson & Son, Ltd.

Announcement of unaudited results for the half-year to 30th June, 1971

	1971 £'000	1970 £'000
RESULTS:		
Profit of the Group before taxation	6,594	5,731
Deduct: proportion attributable to minority interests and pre-acquisition profit	2,443	2,210
Profit before taxation attributable to S. Pearson & Son, Ltd.	4,151	3,521
Total taxation (including overseas taxes £569,000—1970 £474,000)	2,429	2,023
Deduct proportion attributable to minority interests and pre-acquisition profit	1,038	917
Net profit attributable to S. Pearson & Son, Ltd.	1,399	1,106
	2,752	2,415
DIVIDENDS (GROSS):		
5% preference dividend of 1971	13	13
Interim ordinary dividend of 7½p on £15,084,800 capital (1970—7½p)	1,131	1,131
	1,144	1,144

NOTES:

- The net profit attributable to S. Pearson & Son, Ltd. does not include the profit which would have been made on the Scheme of Arrangement Involving The Penguin Publishing Company Ltd. is approved by the High Court on 28th October. This Scheme, details of which were circulated to shareholders on 2nd August 1971, involves (inter alia) the issue of 4,331,250 new ordinary shares (thereby increasing the ordinary capital to £16,167,413).
- The charge for U.K. corporation tax is based on a rate of 40%. The comparative figure for 1970 has been adjusted and is based on the average rate of 40.625% charged for 1970.
- The results include profits of associated companies only to the extent of dividends receivable.

Dividends: The directors have declared an interim dividend on the ordinary shares capital of the Company of 7½p (1970—7½p) payable, less income tax, on 24th November 1971, to the shareholders on the register of members at the close of business on 25th October 1971. Ordinary shareholders of Penguin on the register of members of Penguin on 27th October 1971 will be entitled to receive an equivalent dividend if the Scheme of Arrangement is approved.

Allen Harvey & Ross Limited

INTERIM STATEMENT 1971

The exceptional profits for the first half of our financial year were a record for any six month period.

The full effects of this should be apparent by the end of the financial year which is April 5th 1972.

Trading conditions in most of our markets are still favourable although some profit margins have been eroded.

Meanwhile, the Directors declare an interim dividend of 15% (1970—10%) and expect to be able to pay a final dividend of not less than 15% (1970—16%) making a total for the year of 30% (1970—26%).

Allen Harvey & Ross Limited, Bill Brokers and Bankers,
45, Cornhill, London E.C.3.

Shareholders Employees Customers Report to The Nation the partners in

for the year ending October 1, 1971

by Keith Erskine, Managing Director

PROFITS TOP £1m FOR FIRST TIME: TURNOVER £25m

Unaudited profits are up from £13,000 before taxation to £1,000,000 and turnover from approximately £20m to £25m of which £3m was overseas. Ten years ago the figures were profits £30,000 and turnover £500,000. Growth has been consistent and organic almost without benefit of acquisition or capital injection—management has not been stretched to the level of its own competence.

No Rights Issue by our parent companies (Associated Hotels/ Kensington Palace Hotel) is on the horizon.

SECURITY TRANSPORT AND PAYPAK
Pretentiously, not boastfully, we record that only £123,000 out of about twenty thousand million pounds carried in the last year was stolen. There were several abortive attacks. Our insurance rate was only .1p per £1,000 carried against the normal rate of unprotected transit of 15p to 25p. Bank work has surged for both cash and data. Our men's bill reached a new high.

GUARDING
We have been thanked by our customers for our help in the aircraft anti-hijacking campaign. At short notice we produced

many good men, who were on the tarmac in all weathers. Screening and supervision techniques are becoming more sophisticated. Our London training school is now supplemented by five regional schools. Sir Frederick Delves continues to guide and inspire our anti-fire indoctrination.

OTHER SERVICES
Help-Linkline, Store Detectives, Photo-identification, Burglar and Fire Alarms and other security services have steadily advanced.

OVERSEAS
We are in Malaya, Hong Kong, Singapore, Borneo, Kenya, Swaziland, Zambia, Uganda, Malawi, Malte, Ethiopia and Norway. Turnover and profits rose. We export security because we believe the British are good at it. At least we have the essentials, i.e., patience, firmness, integrity and some inventiveness. The Governments of these countries are aware, too, that we are loyal, independent and incorruptible; and we have the backing of the world insurance market.

OVERHEADS
In ten of our main branches we are installing computer terminals

linked to our data processing centre, now functioning at full efficiency. Despite increased turnover, we have been able to reduce our HQ staff by half and close two of our bigger London premises. Frugality is our watchword. Luxury is wasteful and weakening. Our overheads spread over a large turnover are, we believe, the lowest in the industry.

SECURICOR CARES
What was a proclamation of intent is becoming a statement of fact.

● For its customers. Examples: The way our men overcame fog, frost and snow to get the data to the banks by 9 am; and the company's work in assisting the overnight change to decimals.

● For its employees. Over the last 10 years, thanks to the Mutual Company, wages have risen more than the national wages index. This has helped us to recruit and retain a good type of guard.

● For the public good. Our courtesy campaign advances. We are increasingly accepted by the public, the police, the fire brigade and the Home Office as vital auxiliaries in crime and fire prevention.

THE CURRENT YEAR
Success, like failure, has its problems; but we cannot ignore Kipling's advice 'to treat those two impostors just the same', for his words are displayed in most of our branches. The struggle between good and bad has never been easy; but we face the current year with hopes as firm as before.

MORALE
The 'stick and carrot' idea is unworthy of our men. Carefully chosen and encouraged, they are by character among the salt of the nation. With the Mutual Company ensuring a just reward, our concern is that 'the job should challenge the worker.' We get the men's interest by explanation rather than order and by self-discipline rather than enforced discipline. The best ideas often come from below and are vented at regular meetings. Workers' participation in decision-making creates a sense of responsibility. The British artisan is not militant if he is wisely and justly led. Aldous Huxley said: 'It is a little embarrassing that after 45 years of research and study, the best advice I can give people is to be a little kinder to each other.' We are trying.

SECURICOR

Aims of Securicor



- 1 To be among the most respected companies in the British Commonwealth.
- 2 To practise new and better methods of commerce.
- 3 To put principle before expediency and make sure our word is our bond.
- 4 Whilst not deviating from what is practical to enrol the idealism of youth.
- 5 To ignore class or race; to judge only by merit; to work in comradeship.
- 6 To divide more fairly the fruits of investment and work by means of the Mutual Company.
- 7 To combine what is best in public service, e.g., devotion to duty, with what is best in private enterprise, e.g., adaptability.
- 8 To express in the tangible terms of guarding and watching Man's regard for his neighbour and wish to serve him.

It is humen to err. We in Securicor, repent our errors; but slowly, painfully and persistently we are climbing to a peak of unimpeachable integrity where Service is an end, not just a means.

To those who object that these aims are too altruistic, we reply that they result in higher morale, more goodwill and abundant rewards to our mutual company partners. Business cannot be divorced from living—both should be nobly done.

Securicor cares for customers, employees and the public good



Sir Philip Margotson
CVO MC
Chairman
Former Assistant
Commissioner,
Metropolitan Police



Sir Richard Jackson
CBE
Joint Vice-Chairman
Former President
of Interpol



Sir Kenneth Bacon
CBE
Former Deputy
Commissioner,
Metropolitan Police



Sir Frederick Delves
CBE
Director
Fire Prevention
Consultant
Former Chief Officer
London Fire Brigade



Sir Ronald Gurnea
CBE CMG
Director
Communications
Former Director-General
of the GPO



Keith Erskine
Managing Director



Lord Thorneycroft
PC
Director
Former Chancellor
of the Exchequer
and President of the
Board of Trade



The Lord Brooke
of Cumnor PC CH
Director
Former
Home Secretary



Sir Charles Canningham
KCB KBE CVO
Director
Former Permanent
Under-Secretary of
State, Home Office



Lord Williamson
Director
Former Chairman
of the TUC



The Rt Hon.
Ray Gunter MP
Director
Former
Minister of Labour



The Rt Hon.
Ray Gunter MP
Director
Former
Minister of Labour

SECURICOR

17 Chelsea Embankment
London SW3 Tel: 01-352 8191

GENERAL APPOINTMENTS

LEGAL APPOINTMENTS

We are a public company engaged in merchant and investment banking, consumer credit, insurance and property investment and development. To meet the continued expansion of the Group, we are enlarging our Legal Department and have the following positions to fill:

Head Office

A Solicitor to be based at the Group's head office in the City to assist the Group Solicitor in the provision of a legal service covering all aspects of the Group's activities other than consumer credit, and to deputise for him when necessary.

Responsibility will be to the Group Solicitor, but both positions call for close liaison with senior management in the day to day problems of the divisions of the Group.

Applicants for both positions should be aged between 28 and 40, have at least three years' broad commercial experience since qualifying, and ideally should presently be employed in a finance house or other similar institution or in a large commercially orientated firm of Solicitors.

These are senior appointments, carrying excellent prospects, for which the Group expects to pay substantial salaries, which will be negotiable but probably not less than £3,500 in each case, plus participation in an Executive Share Scheme and non-contributory Pension Scheme.

Applications, which will be treated in confidence, stating the position applied for and giving details of background and experience, should be sent to S. J. Clayman Esq., First National Finance Corporation Limited, City Wall House, Finsbury Pavement, London EC2P 2HJ.

FIRST NATIONAL FINANCE CORPORATION LIMITED

SALES MANAGER

Equipment Leasing

A position offering unique growth potential is available with the new subsidiary of a leader in the technical equipment leasing field. The candidate for this position will have an outstanding record of performance with a sales-oriented manufacturing, financial or leasing organisation. He should be a self-starter, demonstrate leadership ability, and have extensive experience in building and managing a profitable highly professional sales organisation. An educational background including undergraduate training in science or engineering plus advanced degree in business, or its equivalent in experience, is preferred.

This position features an excellent salary, profit-sharing and estate-building compensation programme. Applicants are requested to send their resumes in complete confidence, to Box A.2388, Financial Times, 10, Cannon Street, EC4P 4BY.

AMERICAN STOCKBROKERS

London Office seeks male bookkeeper/secretary. Ideally about 30 years old with good stock exchange experience. Good salary offered and other benefits. Reply in confidence to Box No. A.2385, Financial Times, 10, Cannon Street, EC4P 4BY.

LONDON STOCKBROKERS

Require young assistant (age 21 to 25) for their expanding investment department. Write Box A.2389, Financial Times, 10, Cannon Street, EC4P 4BY.

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salesman age 25-35 for 150 strong stockbroking office to join our INSTITUTIONAL ROOM company for

EQUITY BUSINESS
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Write or telephone for application form quoting reference 'ZG'.

TRUSTEE AND EXECUTORSHIP

Our clients, a large international firm of chartered accountants, can offer tremendous scope to a young man or woman, 22 to 30 years, who wishes to specialise in the administration of trusts and estates. The position involved, in the executorship department, will enable the successful applicant to become conversant with all the accounting, taxation and estate duty aspects of this work.

Since the department is expanding the incumbent will have ample opportunity to increase responsibility, with knowledge, but our client does expect some previous experience to have been gained in the financial, legal, insurance or some related field.

Please write with full details to: John Salkeld, Postbox No. 385, Dorland Recruitment Advertising Limited, 22-24, Westbourne Terrace, London, W.2.

MANAGING DIRECTOR

Investors Trust Ltd.

PORT VILA, NEW HEBRIDES

We are conducting a multinational search for the best available person to take charge of our Vila office. Extensive trust experience and strong administrative skills are the basic requirements. C. B. Wentworth, Chairman of the Board, will be in London, October 25/29, for interviews. Please send complete resume to Box A.2287, Financial Times, 10, Cannon Street, EC4P 4BY. All letters will be answered.

PORTFOLIO MANAGEMENT

A large and well-established but progressive firm of stockbrokers is developing new lines for the management of its private clients' portfolios. It is looking for men or women with experience, preferably gained in stockbroking, investment management, or the investment department of a bank, who could play a constructive part in this development.

The ability to deal with a varied range of clients is essential, but this must be coupled with considerable practical experience of investment advice and portfolio management, a thorough knowledge of stock exchange practice, and a firm grasp of the fundamentals of investment analysis. A capacity for clear and constructive thought is vital.

Initial salary will be based on experience, and subsequent progress will depend solely on merit. Educational or professional qualifications are of secondary importance to practical ability, and applicants of any age will be considered.

Please write to Box No. 4014, c/o Charles Barker Recruitment Ltd., 20 Cannon Street, London, E.C.4, giving a brief description of education and all subsequent employment, together with a succinct statement of your reasons for considering yourself suitable. State under separate cover any firm to which the application should not be sent.

APPOINTMENTS WANTED

WEST GERMANY

International businessman and wife (50s/60s) are interested in understanding business services in the U.K. or West Germany which require personal or special attention. First-class banking and business connections. Please write to Box A.2382, Financial Times, 10, Cannon Street, EC4P 4BY.

RECENT BUSINESS GRADUATE with 40 years experience in U.K. and overseas seeks interesting opportunity in small medium sized firm, preferably not London. Any reasonable offer considered—Write Box A.2382, Financial Times, 10, Cannon Street, EC4P 4BY.

FINANCIAL AND ACCOUNTANCY APPOINTMENTS APPEAR TO-DAY ON PAGE 35

PERSONAL

OLD FURNITURE & EFFECTS, PURCHASED

Book Cases, Chests, Chairs, Cabinets, Clocks, Decorations, Objects of Art, etc. Haverstock Gallery, 83 Haverstock Hill, Hampstead, London. N.W.5. Tel: 01-722-7089.

JANE LILEY, our consultant on South Africa, East Africa and Ethiopia, is available for advice and travel planning. Please call John Camkin Travel 225 145, The Strand, Tel: 01-240 2021.

TAX FREE INTERESTS A 10 per cent share in a virtually tax-free racehorse can cost from 300 pence, including all expenses up to 100 pence. Douglas May, 10, Cannon Street, EC4P 4BY.

UNIROSE—Send someone a 1968 with your message today. 01-727 2922.



Leonard Dale: "We've always been able to pursue an aggressive sales policy because we're sure of backing from the Midland."

Leonard Dale is Founder, Chairman and Managing Director of Dale Electric of Great Britain Limited, Filey, Yorkshire.

The company has been with the Midland for eleven years now, and in that time they've gone from strength to strength.

With the Bank's help, Dale have established themselves as one of the leading manufacturers of electric generating sets in Britain – over seventy per cent of their output going abroad as exports.

It's no wonder, then, that Mr. Dale

says he wouldn't like to be exporting without the Midland.

"The Midland are very much a partner in my business. Before we enter into anything, we discuss it with them; whenever we're exporting, we get tremendous backing from them."

It's a partnership that seems to pay off. This year alone, Dale have received the BNEC award for exports, the Queen's Award to Industry, and two years ago, Mr. Dale himself received the MBE.

As Leonard Dale says: "If anyone knows a better relationship with a bank, I'd like to hear about it."

The people from the Bank who have worked with Mr. Dale, we show below. It's the sort of team we can offer to anyone.

Your nearest Midland manager will be delighted to talk over any problems you may have, without obligation, of course.

Almost certainly, the Midland can help.

Midland Bank
A Great British Bank.



Derek Sawyer,
Regional Director,
Manager.
Leader of the
Midland's team in
his area; is always
available for top
level decisions!

Donald Hart,
Manager.
In close touch with
Mr. Dale. Previous
experience of foreign
work has provided
valuable insight into
the special banking
problems associated
with exports.

David Wilson,
Second Officer.
Supervises the
branch accounting,
safe custody, security
and foreign work
and deals with the
day-to-day problems
of visitors to this
holiday area.

Keith Ibbotson,
Foreign Clerk.
Handles the heavy
'Dale' foreign bill
work and the con-
siderable foreign
exchange require-
ments of customers
travelling abroad.

Lesley Marshall,
Cashier.
A popular cashier
with several years
experience of help-
ing with the cash
requirements of all
the customers of
the branch.

Linda Bean,
Statements.
Responsible for book-
keeping operations
and the ever
increasing standing
order payments
at the branch.

Nuclear power for ships 'can be cheaper than oil'

BY DAVID FISLOCK, SCIENCE EDITOR

FRESH BID to interest the nuclear ship world will be more expensive to build than an oil ship, but its running expenses would be much less, according to a report by the U.S. General Electric and the U.S. Maritime Administration. Officials claimed that a nuclear propulsion system could now be built that would be cheaper than oil-fueled vessels of 600 shaft horsepower and upwards. It would consist of a reactor, described as a "fifth generation version" of the reactor installed in the S Savannah, the world's only civil nuclear vessel, rather than a gas turbine. While admitting that the vessels of more than 30,000 ship

Four briefings

Five nuclear tankers, he estimated, could do the work of eight oil-fueled tankers, with a saving in fuel costs amounting to \$3m a year. At least 25 vessels of more than 30,000 ship

were already under construction or on order around the world. The briefing, for shipping industry executives, is the first of four to be held around the U.S. in a new effort to arouse interest in nuclear propulsion. So far, it has produced no convincing evidence that nuclear propulsion offers margins great enough to offset the much greater lead time required for the construction of a nuclear vessel—several years longer than shipowners are accustomed to. The British Government, in a report published earlier this year, concluded that nuclear marine propulsion was not yet economic.

Flexible pollution policy needed says CBI adviser

BY DAVID WALKER

FLEXIBLE policies on pollution control to ensure maximum benefit at minimum cost were urged yesterday by Mr. A. I. Biggs, chief technical adviser on pollution problems to the Confederation of British Industry. Presenting a paper on pollution prevention and the production engineer at Prodecon 71, the annual conference on production engineering, economics and technology held by the Production Engineering Research Association, at Melton Mowbray, Mr. Biggs issued a warning that resources available for pollution abatement were not limitless. "The products of modern technology, from antibiotics to detergents and from plastics to pesticides, are all too often taken for granted, but they do contribute enormously to the national well-being," Mr. Biggs maintained. With sound planning and an adequate knowledge of the effluents which were being disposed of, together with consideration of the legal requirements, the technical capabilities and the costs involved in the abatement of pollution, work now being done on all sides would pay dividends in the years ahead, he said.

Consultation

To achieve flexibility and ensure the requirements made were observed by industries discharging effluent of all kinds, there had to be continuing consultation between industry, Government and local authorities. He emphasised it was the responsibility of management to make sure it was aware of existing legislation and also to take account in long term planning of the requirements of the future. "It is also the responsibility of management to comply with this legislation and to adopt the

Notice of Issue Abridged Particulars Application for permission to deal in and for quotation for the undermentioned Stock has been made to the Council of The Stock Exchange, London.

MID-SUSSEX WATER COMPANY

(Incorporated in 1898 by Act of Parliament)

Authorized Share and Loan Capital £9,474,336

OFFER FOR SALE BY TENDER OF

£1,200,000

8½ per cent REDEEMABLE PREFERENCE STOCK, 1976 (which will mature for redemption at par on 1st November, 1976)

Minimum Price of Issue £100 per £100 Stock

LAST DAY FOR RECEIPT OF TENDERS

WEDNESDAY, 27th OCTOBER, 1971

(Not later than 11 a.m. at Close Brothers Limited, Gillett House, 55 Basinghall Street, London, E.C.2.)

Together with a deposit of 10 per cent of the nominal amount of Stock tendered for. The balance of the purchase money is to be paid on or before 1st November, 1971. AN AUTHORIZED INVESTMENT FOR TRUSTEES IN THE NARROWER RANGE

A Form of Tender is embodied in the Prospectus, on the terms of which alone tenders will be considered, and copies may be obtained from the offices of the Company, 5 Bolt Road, Haywards Heath, Sussex; also from Barclays Bank Limited, New Issue Department, 2 London Wall Buildings, London, E.C.2, or the Registrars, Close Brothers, Limited.

and from

DENNIS MURPHY, CAMPBELL & COMPANY

Finchley House, 22 Blomfield Street, London, E.C.2.

Quantity surveyor stresses role in financial management

OPLE WHO regard quantity surveyors as men who only count are living in a past very different from the sophisticated highly geared present, said Colin Wheeler, a chartered quantity surveyor, at a meeting of the Royal Institution of Chartered Surveyors last night. He was sharing a platform with Roger Ferrand, of The Law and Company, at a meeting on the Quantity Surveyor and Financial Management.

Involvement

Mr. Wheeler urged clients to see it clear from the start, not to let the project, who they attached the responsibility of controlled expenditure to. There was a need, he said, for involvement of the quantity surveyor at the earliest possible stage in design so that he was from the onset of design to the architect's buffer approach to solving them. "The appointment of the quantity surveyor," he said, "leads to a state of time and money."

On the role of the leader of the professional team in construction, Mr. Wheeler remarked: "The architects are over-conscious of their unquestionable capability of the team... and they look upon the quantity surveyor as a potential usurper or diluter of their command, while the quantity surveyor tends to become over-zealous in his management of cost matters and warped in his ideas as to the relative importance between money and design."

He did not, however, lay the blame at anybody's feet, but believed the success of a project was more often brought about by intelligent co-operation than by the predominance of any one party or individual involved.

Referring to clients appointing their quantity surveyor directly, Mr. Wheeler said that with this wider recognition of the quantity surveyor's role, there has been a tendency for contractors to feel they have lost a traditional buffer between themselves and client. "The responsibility on matters of cost no longer exists," he said. "The development of financial

Presentations to-day of housing design awards

BY OUR ARCHITECTURE CORRESPONDENT

EDALS and diplomas will be presented to-day to 16 designers the winning schemes in this year's Award Scheme for Good Design in Housing. The awards will be made by Mr. Peter Walker, secretary for the Environment, at the Royal Institute of British Architects. Diplomas will also be presented to those who commissioned and built the schemes. An additional 18 schemes have been highly commended. The awards are promoted in collaboration with the RIBA in source a high standard of design in housing and landscaping in use. The 271 entries were assessed under two heads:—

Local Authority, new town development or housing associations in developments of 20 or more dwellings of over 70 people to the acre, and developments of six or more dwellings of 70 people or fewer to the acre. Schemes of six or more dwellings carried out or commissioned by private developers, including public sector schemes built for sale, and co-tenure and co-ownership housing schemes. Assessment also took account of building standards, workmanship and the satisfaction of occupants.

Building chiefs anxious over training plans

BY ELSBETH GANQUIN

IF FEDERATION of Master Builders has complained to Mr. Carr, Secretary for Employment, about the delay in announcing the Government's intentions on the future of the industrial training boards. This is causing the industry considerable concern, it said. In his letter to Mr. Carr, the federation recalls that a review of the industry was carried out in 1968. Since then the Construction Industry Training Board, particularly, has undergone a series of crises which have created indecision and led to morale. "Within the industry were also affected" because lack of knowledge of Government intentions makes it difficult for them to arrive at decisions regarding the future of training within the industry. "The industry has been misled by recent public statements from the chairman of the B that they had no knowledge of what Government proposals are likely to be, and even on such proposals were to be decided. To this indicates that, if a review is now taking place on industrial training, it is being done without consultation with the CITB or any of the major organisations within the industry. If this assumption is correct, such procedure would be a grave mistake. The turmoil in the building industry over the past years, based on the activities

ITB guide for supervisors

TO FILL the gap in the ranks of supervisors requiring specialist training to meet the growth of the glass-reinforced plastics industry, the Rubber and Plastics Processing Industry Training Board has published a booklet entitled "Guide Lines for the Training of Supervisors in the GRP Industry." It sets out the level of supervisory skill and technical ability which the supervisor in a smaller company requires to control and lead operatives responsible to him. It touches also on the degree of technical expertise which he should have beyond that currently employed in his company processes. The booklet makes the point that training can be carried out in the company, but it also includes a list of training establishments.

Contribution

He said quantity surveyors had a significant contribution towards the future of the profession if they were able to agree among themselves and with architects and engineers, a recognised procedure for financial management. Mr. Ferrand also said it would help to see proper fee scales laid down so the client could know the service he could expect and what it would cost.

Highlands £50,000 factory plan

By Andrew Hargrave

THE HIGHLANDS and Islands Development Board intends to spend about £50,000 on servicing and landscaping a 15-acre industrial estate at Muir of Ord, Ross-shire, next to the A9 trunk road. "There is increasing interest by industrialists in the Highland area; and Easter Ross is perhaps one of the region's most attractive locations for a wide range of industries," said a spokesman yesterday. "The sites—there are about ten of them—will be fully serviced, ready for lease and the immediate construction of factories," the announcement added. The Board bought the site last November as part of its effort to safeguard employment following the liquidation of the contractors Duncan Logan. Since then, five acres have been leased to two companies employing 36 people between them.

Jumbo jet flights top 210m. miles

THE BOEING 747 Jumbo jet has now carried more than 15m. passengers on 100,000 revenue flights, and has covered more than 210m. miles, since entering service in January, 1970. Boeing says that more than 150 have been delivered to 25 airlines, and their total flying time is now nearly 1m. hours, including training and route-proving. Latest airline reports from Boeing show total fleet average utilisation of 9.5 block hours per aircraft per day. In recent weeks, this has risen to 10 hours per aircraft per day. Jumbos are now serving about 70 cities in 35 countries. Total orders at the end of September stood at 207 aircraft.

OBITUARY

Mr. J. Alan Thompson dies at 53

MR. J. ALAN THOMPSON, chairman and managing director of Woolcombers (Holdings), the largest combing-topmaking group in the world, died suddenly on Tuesday while on a business trip to Japan. He was 53. Last May, he was appointed to the Board of Hillingworth Morris, which has been increasing its shareholding in Woolcombers in recent months, as vice-chairman. At the same time, he moved from being vice-chairman of Woolcombers, a post he had held since 1964, to chairman of the company. He was also chairman of the Woolcombing Employers' Federation since 1963, and also of the TWTU Combers' Group. His name will be linked with a policy of acquisitions by Woolcombers starting with Isaac Holden in 1963 and culminating with the takeover of its main competitor, the Aire Wool Group, late last year.

Show us a cold shopper, and we'll show you a tight fist.



As any shopkeeper will tell you, cold makes people mean. So if it's cold in your store, they'll be mean in your store. Which is the last thing you want.

If therefore, you have any doubts about your present heating and hot water arrangements, you ought to do something effective about them as fast as possible.

And the fastest and most effective thing you can possibly do is to change over to gas.

Gas requires no storage. It doesn't have to be delivered. You pay for it only after you've used it, not before. And it doesn't pollute the atmosphere. Taken over all, gas must be a better buy than any other fuel.

The Commercial Sales Manager of your local gas board has a very informative booklet on the subject, which he will be happy to send you. It will answer most of your immediate questions. Any that are left, he'll answer. And, if finance is a problem, ask him about arranging credit. He may be able to help.

Ring him and a copy's yours. Or post the coupon below.

To: Commercial Sales Manager, The Gas Council, 56 Bryanston Street, London W1E 1RD.

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Position.....

Company.....

Address.....

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CESS MOTIVATION INSTITUTE (SMI) is the world's largest dealer of Motivation, Personal Development, Sales Training and Management Development programs. These dual-sensory programs, consisting of printed texts, recordings, and cassette tapes are used extensively by individuals, business organizations of all sizes, in all 25 of activity, and in government agencies. One of the great need and the vast untapped market in Great Britain (and internationally), we are actively seeking responsible distributors for SMI programs. We are interested in dedicated, motivated individuals who are willing to follow a proven marketing plan, and anxious to earn an exceptionally high annual income. We are countless millions of individuals and companies who are seeking for SMI Programs. Inquire today! If you qualify we offer an immediate opportunity to establish yourself in Great Britain's fast growing industry - Education. Complete information please send a brief personal and business letter to: Success Motivation Institute, Inc., 9 Lakeside - Dept. FT-10-1, P.O. Box 76710, A, Texas 76710. F.O. Box 7014, Waco, Texas 76701 817-776-1230

FINANCIAL AND ACCOUNTANCY APPOINTMENTS

Manager
Finance and Planning

Keyser Ullmann Ltd., an old established and expanding merchant bank, wishes to recruit a Manager, Finance and Planning, for its industrial and economic interests. This is a new appointment reporting to the Managing Director of Keyser Ullmann Industries Ltd. The work will be varied and will involve the assessment of business performance, analysis and strategic studies. The successful candidate will have previous industrial experience, some ability in business plan preparation and will be qualified in either accountancy or economics, or both. There are plans for early growth and future prospects are excellent. Age about 30 is probably right, but above all else, is the need for enthusiasm, discernment and organisational ability. An attractive starting salary will be offered. Fringe benefits include preferential mortgage and pension scheme. The location is London. Applications in writing should be addressed to the Managing Director, Keyser Ullmann Industries Ltd., 31 Throgmorton Street, London E.C.2, quoting ref. P/PTT and should indicate how the applicant's requirements are met. Attractively, for further information, telephone Mr. Vernon-Harcourt at 01-506 7070.



**Keyser Ullmann
Industries Ltd**

County Bank

It is now two years since County Bank was launched in the City as the Merchant Banking arm of the National Westminster Bank Group. Growth has been rapid and deposits currently exceed £300 million.

The flow of Corporate Finance and Special Situation work is also increasing and therefore another Senior Executive is required.

Although reporting to Directors, this Executive will negotiate direct with clients and will be expected to bring operations to a successful conclusion. In addition to corporate advisory work, he will undertake both lending and equity participation propositions.

The age of the successful candidate will be in the region of 30. He will probably be a Chartered Accountant or a Lawyer, with merchant banking or similar experience.

Candidates, whose remuneration currently exceeds £3,500, should apply to A. J. Aman, County Bank Ltd., 76 Cornhill, London, E.C.3, with brief details of their background and experience.



A member of the
National Westminster Bank Group

Financial
AnalystsA Career of Total Involvement
Awaits You in London

We are looking for men who are qualified in accountancy (C.A. or A.C.W.A.), economics or business administration together with broad industrial finance experience, preferably but not essentially within the motor industry. Those direct from the profession might also be suitable provided they have experience of higher management problems.

The work is extremely broad in spectrum and international in nature. There are vacancies at various levels of responsibility. The main areas covered are:-

Review of International Pricing;
profit and capital long term planning;
project control and product and cost analysis.

The re-organisation of our finance operations has opened up several interesting opportunities in London. We will be pleased to discuss career prospects with men with Finance/Accounting backgrounds who consider they have the ability and ambition to play an important part in the Company's future.

We can offer you an environment in which imagination, creativity and real ability are amply rewarded both in remuneration and in freedom to put good ideas into practice. Career development programmes adapt to your individual interests with direction and speed of development well defined. These opportunities are as close as your nearest post box, so write today with a brief outline of career to date to:

M. J. Stylianides
Manager, Personnel Administration,
68 Knightsbridge,
S.W.1.



**CHRYSLER
INTERNATIONAL S.A.**

Financial Executive
North West London

Our client is a long established company, engaged in importing cigars and continental confectionery, which has recently become a subsidiary of a large U.S. conglomerate.

Reporting to the Managing Director, this new appointment will interest a Chartered Accountant, aged about 35. He will be responsible for establishing sound information systems, formulating financial policies, evaluating and advising the board on company investment programmes and also negotiating with merchant banks concerning further business acquisitions. Previous exposure to these activities and expertise in modern accounting techniques are essential.

The initial salary will be about £4,000 plus a car and the prospects of a board appointment are excellent.

Please write briefly and in confidence to Peter Barnett, Ref: C841.



McIntosh Mann & Whitney Murray,
Management Consultants,
55 Southwark Street, London SE1 0JA.

Also at - Bristol, Birmingham, Cardiff, Leeds, Liverpool, Manchester and Newcastle upon Tyne.

Management Accountant
(London)

On behalf of Clarksons Holidays Ltd., the largest inclusive tour operators in the U.K., we invite applications for the challenging position of MANAGEMENT ACCOUNTANT.

Age 25-35. Substantial educational and accountancy qualifications essential, together with considerable practical experience of designing and introducing management information systems, preferably in a service industry or consultancy. Tact and the ability to create and promote ideas vital.

Substantial salary. Applicants should now be earning within the range of £3,000-£4,000. Annual reviews. Bonus. Pension. Removal expenses. Holiday concessions.

Apply in GUARANTEED CONFIDENCE, stating telephone number, age, details of education and experience, names of firms, positions held with dates, starting and final salaries. Reference FT/MA/7180. Short-listed applicants can expect acknowledgement within fourteen days of receipt of application.

Dr. P. S. de Q. Cabot, Chairman,
P. S. CABOT & CO. LTD.,
37-41 Bedford Row, London, W.C.1.

SENIOR
ACCOUNTANT

We are looking for a senior accountant whose initial assignment, lasting about one year, will be in an administrative capacity in the reactivation of a major rutile property in Sierra Leone. The role would require an individual capable of working in an unstructured environment and performing many non-accountancy duties. Once the property is producing, he would become the chief accountant supervising all the mine accounting functions.

Ideally the selected candidate will have worked in Africa with a background both of mine accounting and administration.

Excellent living quarters and top salary.

NORD RESOURCES CORPORATION

27 Old Bond Street
London W1X 3AA
01-629 5061

RECENTLY QUALIFIED
CHARTERED
ACCOUNTANT

required to supervise the accounts of a leading city discount house, with direct responsibility to the Director concerned. Attractive salary with generous fringe benefits. Full details to J. A. Pound, Director and Secretary, Allen Harvey & Ross Ltd., 45 Cornhill, London, E.C.3, envelope to be marked 'CA'. Interviews will commence on 25th October.

BANKING APPOINTMENTS

The Specialist Consultancy for the Banking Profession
(Strictest confidence assured)
358 Strand, London, W.C.2
Tel: 01-836 7222 (10 lines)

Corporate
Finance

Wallace Brothers are extending the Corporate Finance side of their old established and rapidly expanding City Merchant Bank. The director in charge wishes to appoint an Assistant capable immediately of representing the Bank as a principal at Board level meetings with clients. Applicants should not be less than 35, and ideally will be qualified accountants. They will either still be in a professional office, handling investigations, or will be in the corporate finance department of a merchant bank, or in a stockbroker's new issue department. In any case, they must have proven experience in relation and takeover activities. They will be interested in a starting salary of £4,000-£4,500 and will be looking for above average prospects of promotion.

Please apply in the strictest confidence quoting reference number 1285 to Clive & Stokes, 14 Bolton Street, London, W1Y 8JL.

Clive & Stokes

Appointments & Personnel Consultants

An Accountant

Esperanza Trade and Transport Limited wants to appoint an accountant with a broad post-qualifying experience. He will have to be capable of taking an active role in investigation and planning of the group's expansion. Experience preferably commercial or industrial. Age around 30. Ability to accept personal responsibility is a most critical and important requirement.

Opportunity is considerable in a rapidly growing group of companies. Starting salary for discussion but probably about £4,000.

Write personally to the Chief Executive,

Esperanza Trade and Transport Limited

11 Bolt Court, London, E.C.4

BANKING POSITIONS

Explore the possibilities available in Merchant, Foreign and Overseas Banks. Consult the City Specialists for excellent opportunities in all banking positions. Write, call or phone.

P.W. CITY BANKING EXECUTIVES
109 FENCHURCH STREET
LONDON E.C.3. 01-709-8971

URGENT BANKING AND BROKING VACANCIES

A wide range of excellent opportunities exist for young people in leading City Banks and Brokers. For further details please contact:-

Mrs. Scamard, ALANGATE Financial Division,
78 Queen Victoria Street, E.C.4. Phone 248 6071

CJA RECRUITMENT
CONSULTANTS

35 New Broad Street, London, E.C.2. Tel. 01-583 3588

Top financial appointment—scope for considerably increased responsibility and earnings in the short term

CASH MANAGER—EUROPE

BASED LONDON

£6,000 p.a. +

MAJOR INTERNATIONAL OIL COMPANY — EXPANDING WORLD WIDE INTERESTS

This vacancy calls for candidates aged 25-28 with a minimum of two years corporate treasury experience with emphasis on cash management techniques, or experience gained in Banking through specialising in the development of cash management programmes. Reporting to the European Resident Treasurer, responsibilities will cover the operation and continued development of the total European current cash management system and working closely with the Management Accountant in the development of cash forecasting and the production of other relevant management information. Frequent European travel will be necessary. Initial salary negotiable £6,000 + free life assurance.

Applications in strict confidence under reference CME157/FT to the Managing Director
CAMPBELL-JOHNSTON ASSOCIATES (MANAGEMENT RECRUITMENT CONSULTANTS) LTD.,
35 NEW BROAD STREET, LONDON, EC2M 1NH. TEL: 01-588 3588 or 01-638 0553.

PRINCIPAL
ASSISTANT
Internal Audit

required by LONDON ELECTRICITY for their Chief Accountant's Department situated at Waverley House, 7/13 Noel Street, London W1V 4HE.

The successful applicant will be responsible for audit assignments of various kinds, and will be in charge of a small team.

Experience of professional or internal audit work with computer based accounting systems will be an advantage, as will the possession of a recognised accountancy qualification.

Commencing salary within the range of £2,650-£3,045 p.a. inclusive.

Please apply, giving full details, to the Personnel Manager

LONDON ELECTRICITY BOARD
46 New Broad Street, London EC2M 1LS
quoting reference PER/V 877

EXPERIENCED
BLOCK TRADER

This fine, London-based opportunity calls for a thoroughly skilled trader with knowledge of international institutional securities markets.

The successful applicant will join the substantial block trading activity of a long-established, highly regarded investment banking firm (Member NYSE). Interviews for this position will be held in London on November 15th. Block traders sophisticated in international institutional marketing are invited to submit detailed resumes.

Write Box A2233 Financial Times,
10 Cannon Street, E.C.4P 4BY.

GENERAL APPOINTMENTS
APPEAR TODAY
ON PAGE 31

COMPANY NOTICES

BANK OF MONTREAL

Established 1817

DIVIDENDO NO. 451.

EXTRA DIVIDEND NO. 452.

NOTICE is hereby given that a Dividend of TWENTY CENTS per share for the current quarter and an EXTRA DIVIDEND OF TWO CENTS per share for the year ending October 29th, 1971, upon the paid-up Capital Stock of this institution have been declared, both PAYABLE on and after Wednesday, the first day of December next, to Shareholders of record at the close of business on the 29th day of October, 1971.

Notice is hereby also given that the ANNUAL GENERAL MEETING of the Shareholders will be held at the head office of the Bank, 129, St. James Street West, Montreal, on Monday December 13th, next. The Chair will be taken at 11 o'clock a.m.

By order of the Board,
C. W. HARRIS,
Vice-President and Secretary.

Montreal,
October 19th, 1971.

CHILEAN EXTERNAL LONG TERM

DEBT, LAW NO. 8952

Chilean Government 5% Loan of 1971 (Second Series) of \$5,000,000 nominal capital.

N. M. ROTHSCHILD & SONS LIMITED: the notice that the coupons dated 1st November, 1971 from bonds of the above mentioned loan which have been deposited in the City of London, 1971, may now be lodged with them listed on the special forms which can be obtained on application.

Cansons will be received on any business day and must be left for an appropriate period for examination. Coupons must be handed in personally and cannot be accepted through the post.

St. Smith's Lane,
London EC4P 4DU,
21st October, 1971.

CITY & COUNTY BOROUGH

OF SWANSEA

£1,000,000 City & County Borough of Swansea Bills maturing on 20th October, 1971, at a discount rate of 4 1/2% per annum. These are the only City & County Borough Swansea Bills outstanding.

BRAZILIAN STEERING LOANS:

DECEASED LAW NO. 8019

N. M. ROTHSCHILD & SONS LIMITED

announce that the coupons due 1st

November, 1971 from bonds of the

above mentioned loan which have been

deposited in the City of London, 1971,

may now be lodged with them listed on

the special forms which can be obtained

on application.

The loans concerned and the relative

paying agents are:-

State of Bahia 5% Bank of London

Gold Loan 1904 5% Bank of London

City of Pernambuco 5% Bank of London

Rio de Janeiro 5% Bank of London

Recife 5% Bank of London

Salvador 5% Bank of London

Sao Paulo 5% Bank of London

Shareholders will be received on any

business day and must be left for an

appropriate period for examination.

Coupons must be handed in personally

and cannot be accepted through the post.

St. Smith's Lane,
London EC4P 4DU,
21st October, 1971.

C.N.A. INVESTMENTS LIMITED

(Incorporated in the Republic of South Africa)

DECLARATION OF DIVIDEND ON 5 PER

CENT DIVIDEND ON 5 PER CENT

SHARES

NOTICE IS HEREBY GIVEN that a

Dividend of 5 per cent on the

paid-up share capital of the Company

HUNTER DOUGLAS LIMITED

(Incorporated under the Companies Act, Quebec, Canada)

NOTICE OF SPECIAL GENERAL

MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN TO

HOLDERS OF THE COMPANY'S

RECEIPTS OF THE COMPANY'S

DEBENTURES THAT THE

Company has decided to call a

Special General Meeting of Shareholders

to be held at the Company's

Registered Office, 214

King Street West, Toronto, Ontario

at 10 o'clock a.m. on Thursday,

the 25th day of October, 1971, for

the purpose of considering and

approving or rejecting the

recommendations of the

Committee of Shareholders

appointed by the Board of

Directors on the 19th day of

October, 1971, and for the

purpose of transacting such

other business as may properly

come before the Meeting.

Shareholders are requested to

bring to the Meeting a copy of

the Company's Charter as amended

to date, and a copy of the

Company's By-Laws as amended

to date, and a copy of the

Company's Financial Statements

for the year ended 31st March,

1971, and a copy of the

Company's Charter as amended

to date, and a copy of the

GRAHAM WAREHOUSES LTD.

NOTICE IS HEREBY GIVEN that the

Register of Ordinary Shareholders will be

CLOSED from the 1st November to the

31st November 1971 both dates inclusive

for the purpose of ascertaining the

entitlement to the dividend payable on the

19th November, 1971.

By order of the Board,
K. M. GRAY, F.C.A.,
Secretary.

MORRIS & KIRBY WALL PAPERS

LIMITED

NOTICE IS HEREBY GIVEN that the

Registers of the Ordinary and "A" and "B"

Shares of the Company will be closed for use

only on the 25th October, 1971.

By order of the Board,
C. C. CLAYTON,
Secretary.

SOUTHERN-SEA CORPORATION

BILLS

£550,000 Southern-Sea Corporation

bills maturing on 19th January,

1972, were issued on 20th October, 1971

at a discount rate of 4 1/2% per annum. This

makes a total of £1,250,000 Southern-Sea

Corporation Bills in issue.

THE HIGHLAND INDUSTRIES

COMPANY, LIMITED

The Transfer Books of the Company

will be closed from 25th October, 1971,

until 6th November, 1971, both dates

inclusive. By order of the Board,
R. O. OAKES,
Secretary.

106 West Nile Street,
Glasgow, C.1.

BUSINESS

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FINANCIAL
TIMES
SURVEY

Europe could redress home decline

By ANDY McELROY

Cut-back in investment, particularly in the oil and chemical industries, has dealt a substantial blow to the manufacturers of industrial valves. As second-line suppliers, they are severely affected by any loss of confidence in the primary suppliers, and also by the immediate reduction in orders by the final customers.

At present, the situation is that the makers are fighting for an increasing share of a fairly static market, both at home and overseas. Inflation is eroding profit margins, and financially there is little slack for investment in development and production equipment for future growth when capital investment begins to grow again.

Although detailed figures for the current year are not yet available, a spokesman for the British Valve Manufacturers' Association hazarded the opinion that deliveries this year would be about the same as during 1970, and perhaps even slightly greater. But he emphasised that this in itself does not reflect the true position, since many of the deliveries will be against orders for plant initially made three or even four years ago.

As to the state of order books, it is anyone's guess. Several companies are obviously swimming against the economic tide and logging increased business, while others are reluctant to concede any information on their prospects in the immediate future.

Overseas sales

It is significant, however, that the organisations who are willing to talk about increased orders are those which are deeply involved in overseas sales, and who have made a consistent effort to increase their penetration of overseas markets. Over the past three years there has been a notable divergence of attitudes among valve companies. One group has made strenuous efforts to provide the metric sizes demanded by European users, while another has seen the U.K. market as its primary concern, while bowing to European needs by metricating port sizes and very little else. In addition, this latter group has been concerned with exploiting its home market rather than spending scarce resources on development of new customers.

While exports, from the abstract point of view, are desirable for the country's health and for the health of companies, yet there is much to be said for the cautious approach. Profit margins in Europe and the United States are suffering because of competition from lower-priced components, notably of Japanese and Italian origins. So far, these countries have made little impact in Britain, but the time is bound to come when imports will be competing with native products.

However, there is one consolation for the exporter—the slower rate of decline of capital investment in Europe than in the U.K. Obviously, much of the cutting back in Britain has been caused by the generally unfavourable economic climate, while countries such as France, Germany, and the Eastern Bloc in particular are suffering less from decline in demand. It is conceivable, in fact, that those companies with large export business will show substantially better trading figures and order books at the end of this year, although the effect on overall profits will be a different matter entirely.

When one is considering the competitiveness of any sector of British industry in comparison to its overseas counterparts, there is a natural temptation to equate efficiency and commercial success with technological innovation. In valves as in so many other sectors of engineering this is largely a red herring diverting attention from the real factors affecting sales.

From the design point of view, there is little that can be done to improve on the present existing types of valve. Changes are in detail only, and the gap between drawing board and final application so extended that competing companies are, generally speaking, at about the same level of technical excellence.

But in foreign markets, British valves are able to compete successfully because of these detailed improvements. Small and insignificant changes in component design, allied to regularly updated production methods has produced a situation where British valves are distinguished from the competition by being smaller and better finished. Although re-

duction in overall size may seem unimportant, to the plant designer it often means a saving on overall cost as well as a more compact installation.

Better finish also implies closer tolerances, and this is a primary requirement in valves for process control where operation of the plant is automatic and the degree of closure must be exactly specified.

Research work

From this it would seem that the industry as a whole is neglecting technical development, but this is far from being the case. The improved materials that are being used for seals and bearing surfaces are the result of long-term research and development, and modern valves, whatever their origin, owe much of their excellence to research and pioneering work carried out here.

Currently, the emphasis in the industry, as far as technology is concerned, hinges on new materials. Now, apart from better surfaces and so on, several companies are showing a great deal of interest in plastics for major valve components. There are, of course, already a number of all-plastic valves made in the U.K. and overseas, but they are limited in their range of applications, generally because of temperature considerations.

However, plastics development is already bearing fruit. Filled plastics and high-temperature polymers are constantly extending the useful temperature range, and although in the vast majority of process applications there is still no substitute for the all-metal valve, this situation is likely to change radically within five years.

Despite the German reputation for plastics expertise, it again seems likely that it will be a British company that will lead the field in this, and it is believed that there will be a major announcement on medium-temperature plastic valves early in 1972.

As with so many component industries, valve manufacture is bedevilled by the range of products of different types and sizes demanded by customers.

This alone militates against production efficiency and keeps production costs high. This situation has been made very much worse by the demands of European customers for metric versions, but at least the industry can see some light at the end of the tunnel.

On the whole, the industry is strongly in favour of entry into the Common Market, and is looking forward to full metrication in Britain. Primarily, membership of the EEC will open up the whole of Europe, although it will also increase competition at home. Free entry to the Continent will mean that virtually every type of valve will be converted to metric standards, and when, eventually, metric sizes are adopted in Britain, the industry will have a fully developed and proven range for home customers.

One cannot help but sympathise with the valve industry (as, indeed, with so many others) which has been caught in a recession just before the EEC entry negotiations began to bear fruit. Now, if at any time since the war, it would have been an advantage to have a flourishing and profitable home trade to use as a base for a launch into Europe. Since this is not so, it is inevitable that the industry will go through at least one or two very lean years where there will be little to show on the balance sheet for all its efforts.

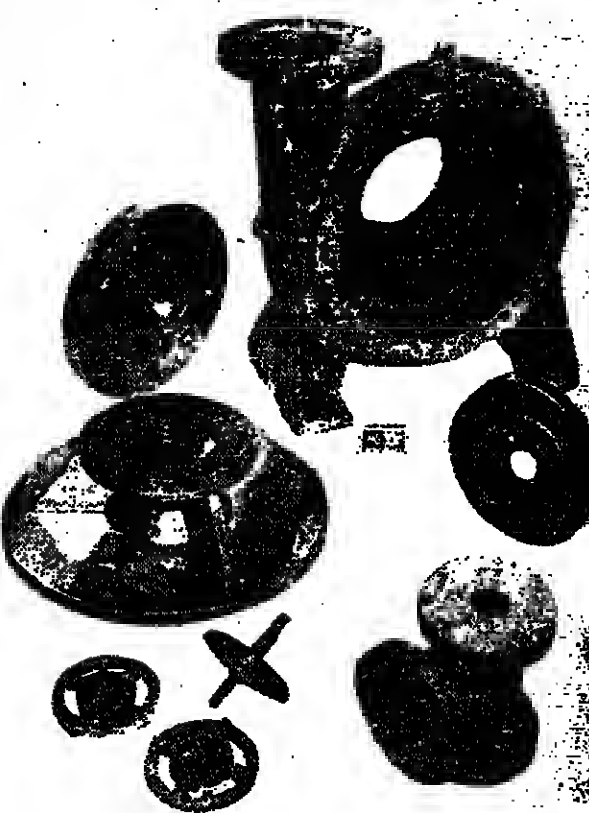
Little despondency

Bad as this may be, few companies are despondent about the situation. As an industry, valves have been subject to periodic fluctuations since the war, and have learned to ride them, if not with complete equanimity, at least with the absence of vertigo that has affected other industries in the same situation.

There are already signs that the rate of industrial investment may soon turn up again in the U.K., and that European development will carry on with only the mildest of hiccups.

If these indications are borne out in practice, it should help the U.K. valve industry to gear up its production and marketing organisations ready to take a firm lead in Europe.

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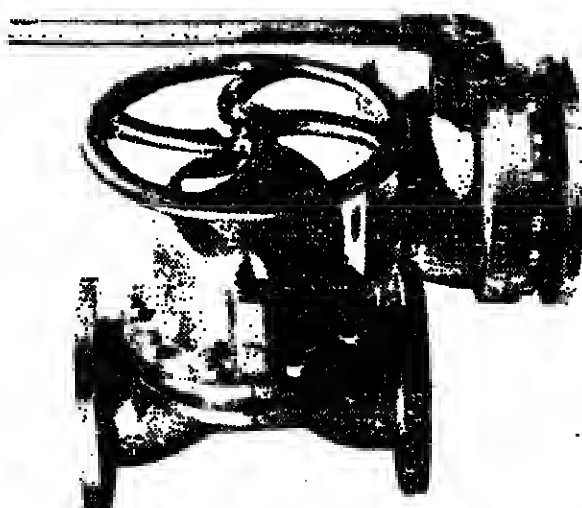
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New developments

By a Correspondent

It is characteristic of industry as a whole that it is becoming more capital intensive and less labour intensive. This is particularly true of the process industries and the generation of electricity and distribution of gas.

But the corollary to this is that the demands of efficiency and a reasonable profit margin dictate that expensive equipment must be run at higher flow rates, temperatures and pressures. In the chemical industry this is the only way to obtain maximum yield. In addition, chemical plant is making increasing use of automatic control systems, for two main reasons.

First, completely automatic monitoring and control of the parameters affecting a process allow it to be run much nearer the optimum value than is possible with even the best manual operation. Secondly, in the event of a process running out of its preset limits an automatic system can react and shut down before damage is done to expensive plant. These two considerations—increased working stresses and the demands of automation—have placed much greater responsibility on the component manufacturers, and particularly on the suppliers of valves.

Further constraint

But there is a third constraint, applying to makers of shut-off valves, and this is the demand from customers for devices that will allow them to isolate one part of an installation for servicing and maintenance without closing down the whole plant.

An indication of the importance of this is that, while ten years ago the average output from a generator set at a power station was between 25 and 30 MW, the figure is now, in Britain, 500MW. In the U.S. the corresponding output in this country provide valves

some cases is as much as 1,000 to 1,200 MW.

Although these larger generating sets have allowed the generating cost of power to be lower than with smaller sets, the financial consequences of even a short period out of service can be enormous. Thus, the quick, easy and absolute isolation of any section of the plant is absolutely essential. These principles apply to all processes where it is necessary to keep production going through all operational conditions.

Many of the valves manufactured by British companies are of this isolator type, exemplified by those made by Metro-Flex. Design improvements over the past few years have been aimed principally at shortening the closure times of these valves and improving the sealing properties. These are now exceptionally good. While the closing time of an isolator is not critical, it can be closed rapidly either manually or by motor drive. In addition, sealing efficiencies against gas are commonly in the region of 100 per cent.

Valves of this type are widely applied in industries such as steelmaking as well as in power plants, and so fact they can rapidly repay their cost through savings in maintenance downtime in any installation where it is necessary to seal off a part of a plant from the rest.

Normally, however, the types of valve most widely encountered in industry are the proportional types, controlling flow rates, and those giving intermittent open and close operation for supplying items such as press equipment. These can be either manually or mechanically actuated, but it is in the latter category that the fullest effects of new technology can be seen.

Only a very few of the total number of valve manufacturers in this country provide valves

of this type. Flowstream International, an ITC company, and Serck-Audco being two well-known examples.

Flowstream's extensive range of process control valves, built up in only ten years, includes models to suit virtually every type of control application. The range includes diaphragm valves, butterfly types, and the piston types, with various porting arrangements and in different materials and mounting arrangements. This company also provides, in most models, alternative methods of valve actuation, so that the plant engineer is able to choose the method that suits the overall design of the installation.

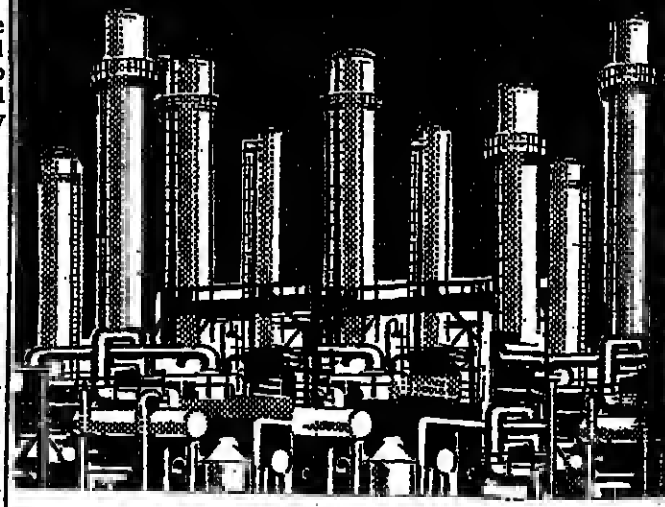
Ball valves

Serck-Audco, on the other hand, concentrates its production mainly on butterfly and ball valves, and it is noted for its excellence in this latter type. The notable advantage of the ball valve is its ease of operation, either manually or mechanically, smoothness and, since modern seal materials have been adopted, its long maintenance-free life.

One of the Serck-Audco ball valve types is designed for double duty, in fact. Under normal operating conditions it is a flow control valve, but when closed it will form a positive seal even in the event of a plant fire which burns the seal. Combined with an automatic fail-safe device it is a useful precaution in safeguarding expensive installations by stopping the spread of fire.

It is essential that any valve designed for pneumatic, electro-mechanical or hydraulic actuation, as process control devices are, should operate at low torque, since in many cases the source of power is weak, especially if it is an electrical signal taken directly from an electronic control system.

Continued on next page



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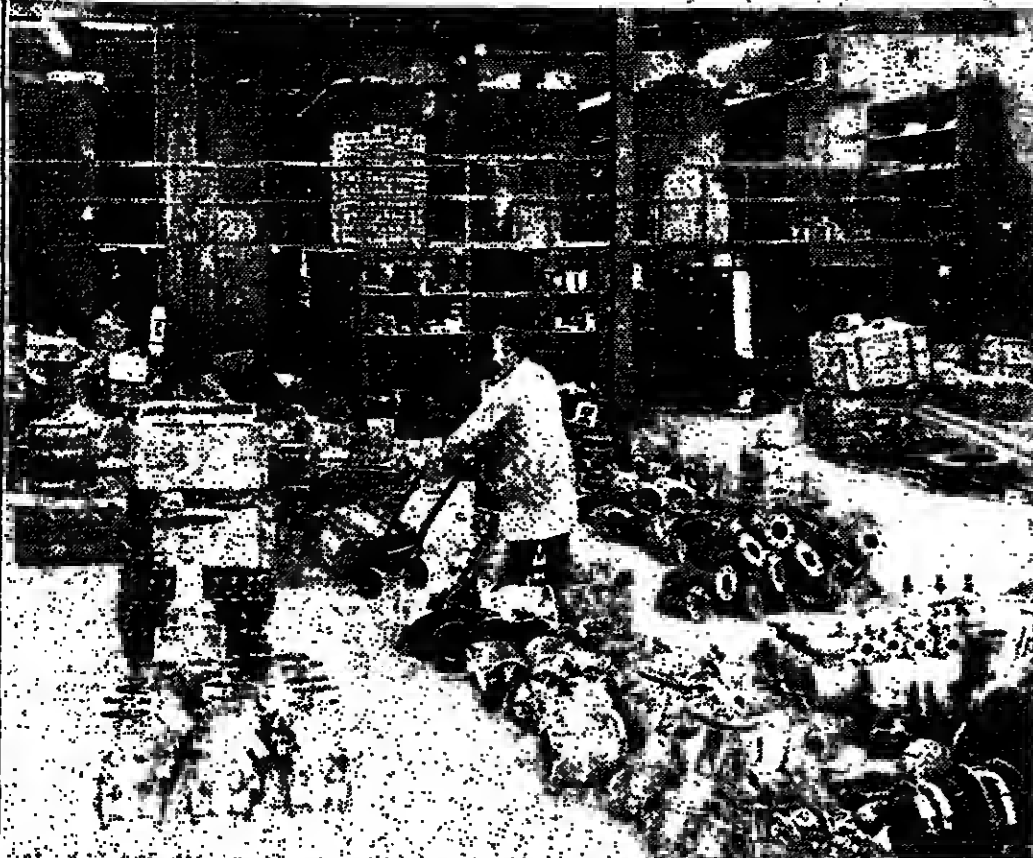
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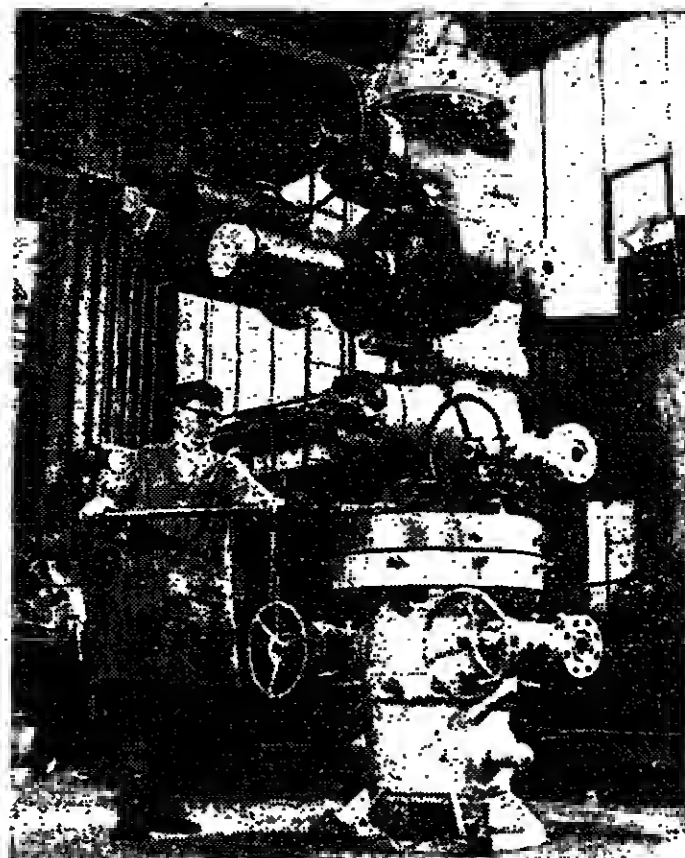
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Product planning crux

By TONY MORSE, Editor, Process Engineering

Ask any plant manufacturer what his biggest problem is and the answer would probably be production planning. It is difficult to balance stock control against market demand to meet delivery dates while maintaining the capital locked up in stock at a low enough level to produce the profitability figures demanded by the shareholders. But the valve manufacturer is particularly susceptible.

The variety of common industrial valves is one problem. These can include ball, butterfly, globe, check, needle, non-return, reducing, vacuum, rotary, slide or relief valves. They can be band, spring, pneumatic, sol-

noid, fluidic or electrically operated, and they often need to be manufactured from forgings or castings, in practically any metal, alloy or plastic material. They can be glass, plastics or rubber lined to operate under corrosive conditions, or steam jacketed to function under cryogenic conditions. And the size of ball valves, for instance, can range from 1/4-inch to 5 feet in diameter, costing from a few pounds, sterling to something on top of the price of a Rolls-Royce.

While valves are used throughout industry, nowhere are they more important than in the process industries. It has been estimated that as much as 30-35 per cent of all valves sold in the U.K. find their way into the chemical, petrochemical and oil processing industry, with a further 9-13 per cent used in the gas industry. And it is this multi-national processing industry with its high design and manufacturing standards and its susceptibility to investment peaks and troughs which has to some extent created the problem of stock control or production planning for the manufacturer.

To try and ease this indigestion-starvation cycle, selling in the export market via agents and licence agreements is normal business practice. But this of course is a two-way trade, even if at present U.K. manufacturers are holding their own. Of the £90m. valves delivered by U.K. manufacturers in 1969, £37.3m. were exported while imports totalled £18.6m., giving a net U.K. delivery figure of £71.3m.

Better figures

The provisional figures for 1970 are even better, being £112m. delivered, £44m. to the export market with only £21.7m. imported. Net U.K. deliveries amount to £89.7m. so that on the face of it the rate of increase of exports is greater than that of imports.

Both U.K. and foreign companies tend to operate through

licensees or agencies, or at most a small subsidiary marketing company. In this way plant manufacture can be centralised on stocks and manufacturing equipment minimised.

Where is the pressure coming from for U.K. manufacturers? As might be expected the Japanese are doing well in the plastics valve market, while Holland and the Scandinavian countries, particularly Sweden, are the main competitors on high pressure steam duties where gate valves are used. But most U.K. companies have a foothold on the Continent including Serck Audco. This Serck Group member has a 50 per cent holding in Dijkers and Co. of Holland which in turn is jointly owned by Rockwell Audco SA of Switzerland. The company mainly markets gate valves, but Rockwell hasn't put all its eggs in one basket; it also has a tie-up with Hattersley Newman Hender on other product lines.

Low pressure steam

For low pressure steam up to 200 deg. C the ball valve is in its element. Competition here stems mainly from Germany and the U.S. — generally regarded as the birthplace of the modern ball valve. Some of its advantages include complete shut-off, long life, quarter turn operation, resistance to corrosion and most important compactness. This means light weight, reduced installation costs and less strain on structural supports.

Serck at one time operated a joint company with the Jamesbury Corporation of Worcester, Massachusetts, but this has recently been merged with the Serck Audco Division at Newport, Shropshire. And the division now has one of the most advanced valve production units in Europe. In 1970 Serck Audco won the Queen's Award to Industry for its pioneer work in Group Technology, a mass production technique. The tech-

nique has cut delivery times and improved productivity.

In addition to the Dutch company, Serck Audco has interests in Germany, Belgium, South Africa, France, Italy and the Far East, so it has not only solved the production problem, but set up the marketing outlets for its products. These include gate, globe, plug and diaphragm and butterfly valves as well as ball valves.

On the control valve scene there is even more reason to set up licensing agreements. Control valves are precise instruments and taking a licence is one way of avoiding capital expenditure on building up expensive design and calibration data. Here again market awareness and stock control is important to achieve profitability.

Just over two years ago Crane Ltd. completed licensing arrangements with Guidelarmaturen KG of Ludwigshafen for the manufacture and marketing in the Western hemisphere of its highly successful control valve and this is begin-

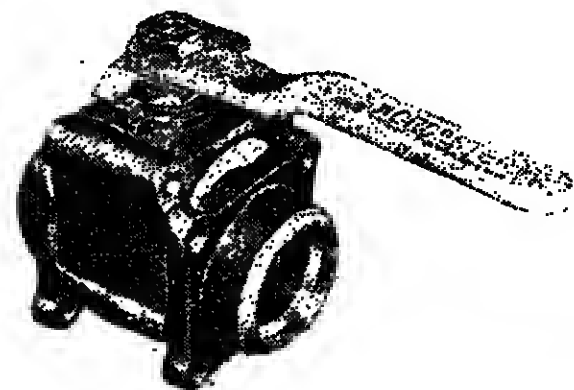
ning to pay off with £100,000 of orders in recent months. Crane's production has been centred at the Glenfield and Kennedy plant in Kilmarnock and valve construction is to metric standards. This means that parts are completely interchangeable and Crane has already bailed Guidel out of trouble more than once.

U.S. initiative

Not all companies market from long range. The U.S. forging specialists, Cameron Iron Works, took the plunge into the U.K. some years ago and is now manufacturing its high quality forged ball valves at Livingston in Scotland. But even here the valves are marketed throughout Europe and market- ing policy is co-ordinated with the rest of the company's plants and offices throughout the world.

In short, licensing agents and subsidiary company outlets are vital to any valve manufacturer and although EEC entry will produce some rationalisation in the industry, two-way marketing in this way will still continue.

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Equities dull on small selling but end above worst

Share index down 2.8 at 412.4—British Funds resistant

	Oct. 20	Oct. 19	Oct. 18	Oct. 15	Oct. 14	Oct. 13	A
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Option	First	Declara-	Last	Account
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ilts quietly firm
British Funds made a relatively
of showing yesterday with senti-
ment being helped in the "after-
ers" trading following news of
a 3 per cent. reduction by
organ Guaranty in its prime in-
vest rate to 5½ per cent. Medium-
term stocks improved by up to 4
pct in the longs, high-compon-
dick were notable for rises of up
to 1. The shorts fluctuated

Eagle Star down

Feature of Insurance shares was the sharp reaction in Eagle Star on disappointment with the 1934 year report; the price dipped 450p, before ending 24p down balance at 464p following active business. Wigham-Richardson improved 8p to 293p in Lloyds brokers, while C. T. Bowring was 5p firmer at 490p.

A slightly easier trend was seen in Breweries. However Vaux was firm again at 37 1/2, up 5p, while Tollemache improved 4p to 134 1/2. Features in Buildings remained in the second-line stocks, with the loaders still quiet and a share easier in places. Goulford Estate rose 12p on Tuesday, rose 11p more to 168p. Page-Johnson "A" was prominent at 135p, up 14p. Dawson Charles touched 79p on the better

day at 166p after a reason-
turnover. Business was still
in other leading Electricals w
eased. G.E.C. closed 21p o
152p, after 151p, and B.
were 4p down at 180p, v
Thorn gave up 7p at 416p.
Ready retreated 1p to 217
front of the interim figures;
to-morrow. Farnell Electr
improved to 281p on the half
results, reacted to 221p and c
at 225p for a nat fall of
Laurence Scott however w

trend easier, but closed a.s. above the worst in places. M. and Spencer closed 2p off 285p, after 283p. House of F reacted 5p to 221p. Among line issues, S. Casket put on to 95p in response to the results and proposed scrip and dividend forecast. Mail O remained dull and fresh ranged between 2 p and 5p. A. Services, a firm market of gave up to 20p.

the interim dividend and a half-year loss, reacting to a closing 3p off on the day. News of the bid from down 2p at 230p, left V 144p higher at 53p and Venesta 5p up at 57p, after Demand in a restricted market prompted a rise of 45p to in Paterson Zoehonis "A." British Syphon continued to reflect satisfaction with the torism statement and print

Garden headquarters, Ju-
Matthey reacted 13p to 295
the increased interim di-
and profits, Marshall's Un-
advanced 7p to 240p. Un-
were firm again at 46p, un-
while Airfr gained 5p to
Robert Stigwood met sell-
dipped to 96p before end-
off on the day at 102p.

Trust Houses Forte were
relatively quiet market yest-

Motor Components b
On the Alfa Romeo deal,
five Prodnets roso 20p to
other good spots included
Bros., 94p, and Turner l
turing, 78p, both up 4p.
Bros. and Albany gained
194p. Among the car
to British Leyland eased 1p
Hawker Siddeley slipped
to 218p, but soon rallied to

OFFSHORE

Triumph Inv. ea
Triumph Investment
taking and closed 11p
214p. Stanhope Trust
90p to 590p, but London
Investment rose 10p to
Anglo-Continental co
demand in Financials

AND OVERSEAS

er. John
a "low"
better at 316p, after
"Imps" ended only a
the worst with a fall
80 1/2p, after 80p.
Textiles made a
showing. Among the
Resilience Hosiery gain
75p, while Emu Wool
4p to 67p. In Carp
rose 4p to 47p on
gained 2p further to 1
Among Utilities, the

FUNDS (p★★★)
Yield %
Jardine Fleming & Co

313p, but
little above
of 2p at
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Bermuda.	—
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72	—
84-0.03	—
5.62	—
92	—
dealing Oct. 25.	
dealing Oct. 28.	
— & Co. Ltd.	

	\$ Yield %		\$ Yield %
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Unigrids (G) Dom.	\$4.15	-0-00		
Sinigrone (G) Dom.	24.93	-0-00	1.73	
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				Tokyo Capital Holdings N.Y.
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				NAV per share Oct. 18 \$US18.6200

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.....		Bermuda Fund 95.0 97.0	6.0%
.....		Do. Accumulation 104.0 109.0	6.0%
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A. Bank Fund.....	\$39.53	93.50
A. Inv. Fund.....	\$6.10	-
Divers Development Bank		
1, Berkeley Sq., London, W.I.	B-483	5274
Credit.....	69.81	+6.2
Funds of F Fund.....	127.00	+6.7
and of Funds.....	\$6.25	-6.5
U.S. State Growth Inv. Tst.		
P.O. Box 1046, Nassau, Bahamas		
U.S. Growth Inv. (GS\$81.7)	7.05	9.7
Wales Unit Inv. Ltd.		

L.T. ...	\$5.05	-0.01	obtained from Bank of New South Wales		
Investment Funds...	\$1210.01	-0.18	01-228 4223.		
Insurance Funds...	\$7.93	-0.01			
Seaboard Finance Fund N.V.			Warburg (S. G.) Vin. Agts.		
Comins Management Co., N.V., Caracas			30, Graham Street, R.C.I.	01-499 4333	
Net asset value Oct. 15 \$US22.22			Uv.Bd.Fnd Oct.19	US\$8.59	-
			Energy Int. Oct.19	US\$10.96	-0.05
					Net asset values.

Life & Equity Assurance	Save and Prosper Group
P. Fenchurch Barrer, E.C.S. Cl-653 7898	G. St. Helen's London, E.C.5 588 1112
L.Lav.Pd.Oct. 19 55.5 07.0	*MinPonds.....23.5 94.7 -0.1 -
L.Lav.Pd.Oct. 19 55.5 06.0	*Property Funds, 36.5 102.0 -
Life Assur. Co. of Pennsylvania	*Price on Oct. 29 Next dealing Oct. 30.
Administration Room, Fenchurch St. MEX1	*Price on Oct. 13 Next dealing Nov. 15.
61-636 5229	
LACOF Pensions.....1926 974: ----	Sect. Widows' Fnd. & Life Assn Soc.
Life and G. Group	St. Andrew's Sq., Edinburgh EH2 2YD
of Res., London Wall, E.C.1 01-596 6331	*Widow's PolyOct.21.22.23.5 -
	Standard Life Assurance Co.

[illegible][illegible]

King Street, London, E.C.1	01-490 5191	
Inc. Inv. Pty. Ltd.	105.8	
Corp. Equity & Life Assce. Co.		
100, Cannon St.	WHS 24S.	01-435 0057
DeBull & Co.	115.7	
Property Growth Assur. Co. Ltd.		
Brook Street, W.1	01-490 471	
De B.N. & P. Ltd.	111.5	
20, Gt. Abchurch Lane	009.5 019.0	

.....	130.6	133.5	.....	—	Excluding securities profits payment.
.....	130.6	133.5	.....	—	Previous year price. * Offered price
.....	130.6	133.5	.....	—	included all expenses except agent's com-
.....	130.6	133.5	.....	—	mmission. † Single premium insurance
.....	130.6	133.5	.....	—	bonds. ‡ Share split. § Net of tax
.....	130.6	133.5	.....	—	on capital gains. ¶ Not authorized by
.....	130.6	133.5	.....	—	the Board of Trade. † Quarterly yield.
.....	130.6	133.5	—	‡ Not available; exchange rate diff.
.....	130.6	133.5	—	cities.

TEAS—Continued

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Index fell 2.8 to 412.4

ANSWER
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ROBOPHONE—
TELEPHONE ANSWERING SYSTEMS
PHONE: 01-689 2144 NOWLombard
U.S. could
now be
sowing a
whirlwind

BY C. GORDON TETHER

THE U.S. was under no compulsion to settle this month or this year since it remained the world's largest market and would suffer less from trade reprisals than others, said Mr. Connally. President Nixon's vicious economic mouthpiece over the week-end. It was the latest of the series of "we couldn't care less because we are almost immune" U.S. pronouncements on the international monetary crisis with which Washington has hombarbed the rest of the world and which have now come to constitute the most worrisome feature of the situation of all.

Nothing, after all, is so calculated to put up the backs of America's trading partners as behaviour on the part of the U.S. which is both bullying and irresponsible—a description that can fairly be applied in Mr. Connally's statement. It is a complete disregard for the fact that any prolonged delay in settling the row could have devastating consequences for those many countries that have no say in the matter at all.

And what makes this more serious is that, by deciding ruthlessly to exploit the flaws of international economic law and order for offensive purposes, the Americans have both invited other countries to retaliate and made it almost respectable for them to do so.

Rose-tinted

At the Press conference held at the close of the two-day meeting of OECD's Working Party 3 earlier this week, Dr. Edgar, the chairman, asserted that the exchange rate adjustments needed to bring the U.S. balance of payments back into equilibrium would take place in a much better world economic climate than was generally expected. He suggested that the prediction with OECD Secretariat forecasts.

The fact that growth has recently petered out in nearly all the leading countries in response to adverse forces that appear to be of much more than passing significance suggests that the crystal ball used for this operation must have been rose tinted in any case. What would seem to be altogether undeniable is that there is next to no possibility of things turning out in this convenient way if the present struggle over exchange rates and the U.S. surcharge is allowed to drag on for any length of time.

Frightening

It is significant that the Japanese have already found it necessary drastically to revise their growth expectations for 1972 and that the picture that then emerged was so frightening that they immediately announced a massive new pump-priming operation. Other countries have given similar expression to their feeling that the world economic climate is bound to deteriorate. And this has happened before there has been any reaction to speak of to the U.S. decision to hit at other countries' exports through its import surcharge.

Yet the danger of such counter-measures developing on a world-wide scale increases markedly with every day that passes. The French aerospace industry has now presented the EEC with a strong case for imposing a "matching tariff" on European aircraft exports to Europe. And though the decision of Oenmark's new Government to slap a 10 per cent surcharge on all imports is not expressly intended to offset the American one, it seems highly probable that it was to some extent inspired by it.

Inspiration

As I said earlier, the way in which the U.S. has used the surcharge has not only invited retaliation. It has also made such kicking over the traces respectable, if not glamorous. Previously, it had always been accepted that disregard of the international rule-book of this kind was something of which a country should at least be a little ashamed. The Americans, however, are actually using the surcharge as a stick with which to beat the rest of the world. Given such a lead it is hardly to be wondered at that our Copenhagen correspondent should have reported that the Danish Government was well aware of the illegality of what it is doing but thinks that "it must put Denmark first."

The U.S. may feel that its economic geography is such that it need not be more than mildly inconvenienced by the whirlwind it has set blowing across the world. Yet those who now feel the wind are apt to reap the whirlwind. And whirlwinds are a very different proposition.

THE LEX COLUMN

Spillers' remaining recovery scope

On Tuesday the Dow Jones index broke down through its 1971 upturn as calculated on an hourly arithmetic point and figure chart, but ended rallying. Yesterday it started lower—perhaps on the news of \$166m. of net redemptions for the mutual fund industry in September—and carried on alarmingly downward despite prime rate cut news. The mutual fund figures conflict with record low in odd lot short sales ratios.

Spillers

Spillers' interim performance—£3.7m. pre-tax against £1.89m. and £3.15m. in the second half of 1970-71—is in line with most recent expectations, and the recovery areas were predictable enough too. Last year, the combination of higher raw material prices with trading down slammed petfoods into the red: this time Spillers have scored with its lower priced brand meat costs are down a little, along with the promotion bill, and the tinned foods side as a whole may make up roughly a

third of the half-time improvement. Flour milling, with stable costs and better prices, probably accounts for rather more than that, and most of the rest comes from animal feeds.

The problem for the current half to January is the impact of the levy system on cereal costs. In fact, Spillers' home grown content overall is as high as 40 per cent, forward buying has provided a buffer at least until this month, and overall raw material costs need not be that much greater than last year's high levels.

The bread price question has switched from the political to the fiscal, with ABF apparently hungrier for market share and substantial wage claims in the air. Yet there was an improving trend in group profits through the first six months, there is further recovery from petfoods—where dog food sales seem to be picking up—interest charges should be lower ex the 15p. on a drop in the under-postal strike and a reasonable guess for the year may be some 51p. pre-tax. That would leave a prospective p/e of 14½

at 57½p. and the gamble there is to do with potential cost savings in the French bread merger, superimposed on the way ABF has been mooting much higher bread prices.

Eagle Star

The interim combination from Eagle Star—the decision to make a reserve transfer to unearned premium reserves, an extra allocation to claims reserves, and the forecast of a reduced though still "material" underwriting loss for the year—pushed the shares down to 44½p. at one time before they rallied to 46½p. down 24p. In fact it has been clear for some time that the industry was not looking for a radical turnaround in U.K. motor results this year—the main recovery dynamo for the year is the earnings estimates stay substantially where they were at say 20p a share against 15p. on a drop in the underwriting loss from £5.5m. to £3.4m. before pensions, etc. of £1.1m. The strength of ES still lies in its life income of perhaps 10p a share this year, and

investment income of maybe 28p. As for the underwriting recovery, ES was the laggard in raising motor rates: the employers liability problems are coming right.

The change in the near-term premium reserve treatment is a quite new departure: in essence it involves reserving for the unearned risk rather than the premium—allowing, in effect, for inflation-induced losses in the year of writing rather than later. The speculation whether ES is simply a much less profitable than average U.K. motor writer, or a more conservative accountant (or a bit of both) is inconclusive: the evidence points rather to the former.

William Baird

William Baird's first half shows the usual pattern of ups and downs, but this time the emphasis is very much on recovery, with pre-tax profits improving from £475,000 to £592,000 before the scope for new business including only one month's contribution from the J. H. Buckingham acquisition,

are very much better at £503,000 against £345,000 before central costs and interest, and the Sierra Leone iron ore mining operation has turned round sharply into the black, while mining services and the industrial division are both usefully higher. The odd one out this time is the investment side, where the £141,000 shortfall corresponds closely to the dividend passed on the big Joseph Dawson holding; and the danger is that it could shortly be joined in the dullard category by the iron ore mine, which sells about 40 per cent of its output on a long-term fixed-price Japanese contract but faces lower prices on the rest when annual contracts are renegotiated around the end of the year.

However, that problem will not be felt until 1972, and there is an offset in the buoyant performance by the textile side, which should maintain the upward trend. Here the strength lies in the garment operations, now broadened in scope by Buckingham, and underpinned by Marks and Spencer which takes over half the output. This

Telephone Rentals

Telephone Rentals' first half growth rate—12 per cent to £2.59m. pre-tax—has not accelerated much considering that January-June, 1970, was apparently slowed by component supply problems. The corollary to that, however, is that the current slowdown in new business, given TR's high proportion of rental income, will not markedly affect earnings progress in the short term. This, of course, is scant support for a p/e of 21.5 on earnings of 15½p (before tax equalisation transfer) for the past reported 12 months; what should be TR's early warning system which suggests new business should begin to pick up again in the first quarter of 1972.

Many U.S. banks cut
prime rates by ¼%

BY JUREK MARTIN

NEW YORK, Oct. 20.

RESPONDING to considerable pressure from the Nixon Administration, many of the major American banks, led by Morgan Guaranty Trust, of New York, today lowered their prime rates by a cautious ¼ of 1 per cent to 5½ per cent. This marks the first change in the prime rate—that charged to best corporate customers—since it was raised from 5½ to 6 per cent in early July.

The action, however, had only the most fleeting of effects on the Stock Market, which ended the day with one of its heaviest losses in recent months—the Dow Jones industrial average was down nearly 4 points when the news of the prime rate cut was announced, rallied briefly to be up by a point or so, but, when the recovery fizzled out, Wall Street began to feed on its own weakness, with the result that the Dow ended the day off 12.78 at \$55.63—its lowest since August 13.

Analysts suggested that the failure to sustain a prime rate rally was the main cause behind the afternoon collapse, though they added that fundamental uncertainties concerning Phase Two of the new economic policies were responsible for the underlying weakness. Wall Street was also unhappy with the report that mutual fund redemptions had exceeded sales again last month.

A reduction in the prime rate has been freely talked about in financial circles for some time. Morgan Guaranty announced,

ment stated, the reduction reflected money market conditions, then a 5½ per cent, not a 5½ per cent, as had been instituted to-day. Both 90-day certificates of deposit and commercial paper stand in the 5½-5½ per cent range, while Federal funds have been hovering at just under 5 per cent, and Treasury bills at just under 4½ per cent, on the three-month issues and just over 4½ per cent on the sixes.

Some indication of what the banking community feels a prime rate ought to be these days surfaced this week at a bankers' conference in San Francisco, where the major subject of debate has been whether the prime rate, as a concept, has outlived its usefulness. Speculating about the desirability of introducing a "floating" prime, a senior official of First National City Bank said that he would at the present stage peg the minimum leading rate at per cent above the prevailing rate on 90-day commercial paper—which would place the prime at 5½ per cent.

Canada also
In Canada Toronto Dominion Bank cut its prime lending rate to 6½ per cent, from 6½ per cent, effective October 23. The bank says the move is needed to help stimulate loan demand in the expectation that this will contribute to the creation of jobs.

Government negotiating
on UCS guaranties

BY JAMES McDONALD, SHIPPING CORRESPONDENT

MR. JOHN DAVIES, Secretary of Trade and Industry, told the Commons yesterday that he would complete negotiations with the suspended customers of the bankrupt Upper Clyde Shipbuilders for the Government guaranties they need before replacing their orders.

The orders to be guaranteed initially involve five ships, it is understood. These are four ships on order for the Govan yard by Irish shipping and one bulk carrier of similar size, for Reardon Smith.

Mr. Davies added: "I will complete negotiations with the shipowners of the guaranties they need. The unions will enter into meaningful discussions with Govan Shipbuilders."

He added that the study of the Govan-Linthouse two yard project "will be extended to look at the alternative of the inclusion of Scotstoun."

I am ready to advance up to £1.5m. to the liquidator over and above the £4m. already advanced, of which £2.7m. is repayable," Mr. Davies expressed the hope that all those having the future of shipbuilding on the Upper Clyde at heart would work together to make a success of the new venture.

Mr. Davies told the House that ship orders being worked on by the UCS liquidator, Mr. Robert

Smith, were likely to realise a "heavy loss," as would the new work needed to maintain employment at Govan and Linthouse—on the basis of the new Govan Shipbuilders company. This was already "abundantly evident."

Mr. Davies said the Minister for Industry was negotiating with the shipowners on the guaranties they needed to enable them to continue their orders with Govan Shipbuilders.

The financial commitments already agreed were substantial. A further statement would be made when the remaining negotiations were completed, said Mr. Davies.

Estimates would be presented to the Commons to which would be added "the considerable further public funds needed for investment in Govan Shipbuilders Limited in addition to its private funds so long as the company can put before me a fully-appraised proposal for a concern capable of attaining a long-term financial success."

Mr. Davies circulated with his statement details of financial commitments and liabilities undertaken since June 14, in respect of four ships now being built with the aid of a bank loan guaranteed by the Government

under Section 7 of the Shipbuilding Industry Act, 1971, an undertaking had been given that if the ships were not delivered by certain dates the Trade and Industry Department would relinquish its right to recover from the shipowners any payments called upon under the guarantee.

The statement adds that a guarantee similar to those under Section 7 of the Act had been given to another shipowner in respect of one ship. A guarantee offered in February, 1971, had not been completed at the time of liquidation.

A welcome

Andrew Hargrave writes: Mr. Davies' announcement was welcomed last night by UCS shop stewards. Mr. Jimmy Reid, their spokesman, said that the release of these guaranties as well as the completion of the feasibility study which included the Scotstoun yard would "create an atmosphere in which meaningful negotiations could proceed."

He added, however, that a successful outcome of talks between the Government and Govan Shipbuilders on the one hand and the trade unions on the other still depended on the initiative taken in respect of the Clydebank yard.

Parliament Page 8

Unemployment rises sharply
in the Midlands

BY PETER CARTWRIGHT, MIDLANDS CORRESPONDENT

UNEMPLOYMENT among men in five Key Midlands industrial areas has risen sharply by more than a third in the past month compared with the August-September figures.

In Birmingham, the number of men becoming wholly unemployed is approaching double the September figure, and there is a jump from 19 more than 200 in the number of women added to the register. Despite

the disappearance of students and school-leavers from the list, the city's wholly unemployed rose by 500 odd to 25,756.

The same trend is discernible among those temporarily stopped. Although 13,000 Lucas workers returned to work, and the biggest strike when October's unemployed count was taken was one affecting just over 1,000 Austin Morris workers, the numbers temporarily stopped went figures will be published to-day.

New names
soon for
CIR

By John Elliott

THE Government is to announce within the next day or two several new appointments to the Board of the Commission of Industrial Relations including an independent director and a woman union official.

The academic is Prof. John Wood, of Sheffield University, one of the country's top labour law experts who has had considerable experience of industrial disputes through serving on courts of inquiry.

The company director is Mr. Oscar De Ville. He is in charge of industrial relations at British Insulated Callenders' Cables (whose staff associations, as revealed in Page 12, have just joined the Industrial Relations Act's provisional unions' register).

Part-time

The woman union official is believed to be Miss C. Hall, of the Royal College of Nursing. This appointment is one which will infuriate union leaders because the RCN is not in the TUC and Miss Hall will have the special responsibility of carrying out a pledge made by the Government during the Act's Parliamentary stages that one of the CIR's Board members would be taken from the professions in order that their interests would be adequately appreciated by the tribunal.

When it examines rival bargaining and union recognition claims.

The new members of the CIR, which is to be put on a statutory footing on November 1, will be part-time and will join a team led by Mr. Len Neal, formerly of the Railways, and Mr. Conrad Heron, formerly of the Department of Employment. Mr. Wood will join a fellow academic, Prof. Cyril Grunfield, who has been given two years' leave of absence from the London School of Economics to be the CIR's legal adviser.

In choosing the new members, the Government had been limited by the TUC's boycott of the CIR, which has meant that members, whether present or retired, of TUC affiliated unions have not been available for the appointments. In addition, others close to the Labour movement have chosen to steer clear of the CIR until its future relationship with the unions is more clear.

Airlines seek
stake in
THF travel

By Arthur Sandles

BOAC and BEA are negotiating with Trust Houses Forte for the purchase of a sizeable equity slice in the THF travel interests. The airlines will almost certainly end up with holdings in Hickie Borman and Milbank Travel (Flair), both of which were Forte companies.

The THF travel companies are highly important users of BEA Airports, the charter subsidiary of the airline. The Forte side of THF has also built up a long-standing relationship with BOAC in hotel operation with the Pegasus hotels in such countries as Guyana, Jamaica, Hong Kong and Ceylon.

By the deal the airlines would secure charter contracts in a highly competitive package tour business. Although Hickie Borman and Milbank, with less than 2 per cent of the U.K. package tour business between them, are smallish companies their recent reorganisation has made them viable.

As tour operators begin to look further afield BOAC is keen to enter the group holiday business more effectively. It has recently been chartering Jumbo jets for package tour work and would doubtless wish to encourage Hickie Borman and Milbank into long-haul holiday business.

The advantages for THF would be a vastly increased marketing area via the offices of the airlines and the hope that the travel companies could become more deeply involved in ground arrangements within the U.K. for incoming tourists. These travellers would, hopefully, be sent to THF hotels.

The empty bed debate, page 22

V & G Inquiry
allegations denied

ALLEGATIONS MADE against Mr. John Follows by Mr. Alfred Hunt, the former managing director of Vehicle and General Insurance Company, were "wholly without foundation" the tribunal inquiring into the collapse of V & G was told yesterday.

The denial was made in a letter from Mr. Cyril Russell, of Charles Russell and Co., solicitors for Mr. Follows. It referred to allegations made by Mr. Hunt at the tribunal's hearing on October 11.

On that date Mr. Hunt had told the tribunal that Mr. Follows had arranged reimbursement for V & G in the early 1960s, had managed to get considerable political influence and had obtained information on V & G from the Board of Trade.

Mr. Hunt also alleged that Mr. Follows was in a position for the national Press, particularly the Times, to publish information. This, he said, had given the British Insurance Association the opportunity to put in a firm of accountants to investigate V & G.

Mr. Hunt told the tribunal that Mr. Follows had the matter put to the Fraud Squad, suggesting that V & G had done something incorrect, and had managed to get the City Police to do an investigation.

The letter of denial from the solicitor was read to the tribunal yesterday by Mr. John Arnold, QC, counsel for the tribunal.

It stated, "You know that Mr. John Follows has sought my advice in regard to his position vis à vis the Vehicle and General Inquiry during the course of which his name has cropped up from time to time."

"He appreciates that his connection with the Vehicle and General Insurance Company is not a matter of any great interest to the tribunal having regard to their terms of reference."

"Nevertheless he is concerned at his position following the evidence given by Mr. Hunt which

received wide coverage in the Financial Times and the Daily Telegraph of October 12."

"It is in particular the allegation made by Mr. Hunt that he (Mr. Follows) with intent to injure the Vehicle and General Insurance Company, approached both the Fraud Squad and the Department of Trade and Industry in regard to certain aspects of that company's affairs."

"These allegations, which Mr. Follows assures me are wholly without foundation, are the subject of much comment and some credence in the City, where Mr. Follows works and where his reputation is of course, all-important to him."

Before reading the letter, Mr. Arnold told the tribunal: "You will remember that in the course of the evidence of Mr. Follows, a matter concerning Mr. Follows arose, in that it was definitely Mr. Hunt's conviction that matters concerning the company had been the subject of representations by Mr. Follows to the police and/or the D.T.I."

"The difficulty was that this was not a matter which came within the tribunal's terms of reference and therefore there was no reasonable likelihood of granting an application by Mr. Follows to be heard as a witness."

After the letter was read, Mr. Justice James, chairman of the tribunal, said: "That which Mr. Hunt said in relation to Mr. Follows' activities in my view was very, very peripheral to our inquiry."

"We say publicly and in order to avoid troubling Mr. Follows to give evidence, that we accept his denial of Mr. Hunt's evidence in this sense, that his denial is now in evidence before us to be evaluated."

"I feel sure that the Press, in the sense of fair play they always have, will consider giving equal publicity to that denial as they have to the evidence of Mr. Hunt."

Tribunal report, Page 19

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Weather

U.K. TO-DAY

Most parts will have a cloudy day with periods of rain or drizzle and hill fog patches. A few bright periods are likely, however, in E. parts of England, and here and there in other parts of England and E. Wales.

Brighter though, showers will reach W. Scotland and N. Ireland later in the day. London: S.E. and Cent. S. East. E. Anglia; E. Midlands.

Rather cloudy, occasional rain or drizzle; a few bright periods. Wind S.W. fresh, locally strong. Max. 14C (57F).

E. S.W. and N.W. Eng. W. Midlands; Channel Is.; Wales; Lakes.

Rain or drizzle at times, hill fog patches, perhaps a few bright intervals. Wind W. to S.W. fresh to strong. Max. 14C (57F).

Cent. N. and N.E. Eng. Borders; E. Scot.

Rain or drizzle at times, hill fog patches, perhaps a few bright intervals. Wind S.W. fresh. Max. 13C (55F).

I. of Man; S.W. and N.W. Scot. Glasgow; Cent. Highlands; Argyll; N. Ireland.

Rain or drizzle, hill fog patches; becoming brighter late with showers. Wind W. fresh to strong. Max. 12C (54F).

Edinburgh; Dundee; Caithness; Orkney; Shetland.

Rain or drizzle spreading from S.W. A few bright periods. Wind W. to S.W. fresh, becoming strong. Max. 11C (52F).

Outlook: Changeable with some rain or showers in most parts but mainly dry in S. at first. Temperatures near normal but rather warm in S. at first.

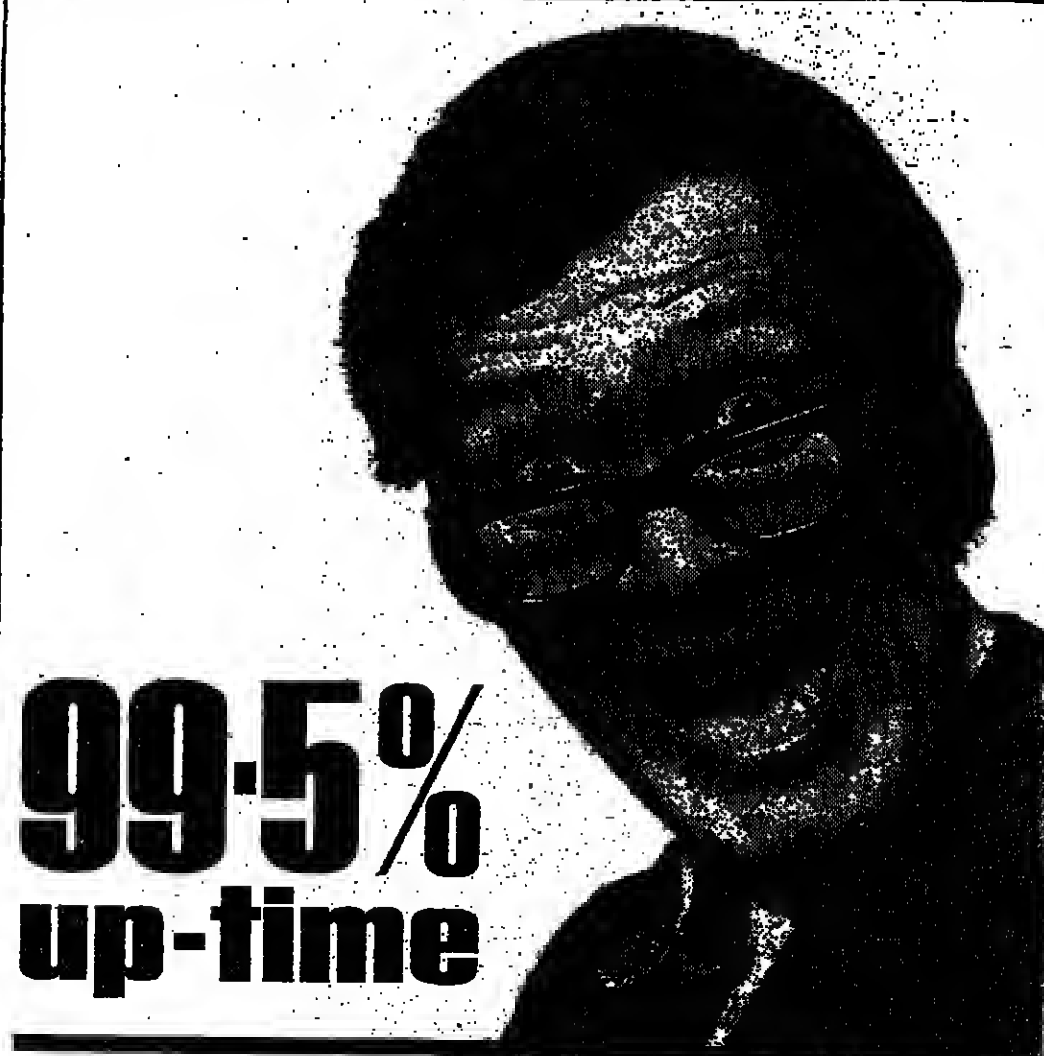
Lighting-up: London 18.28; Glasgow 18.34; Belfast 18.43.

BUSINESS CENTRES

City	Mid-day	Ytd
Amsterdam	10.15	10.15
Bahran	10.15	10.15
Belmont	10.15	10.15
Bombay	10.15	10.15
Buenos Aires	10.15	10.15
Calcutta	10.15	10.15
Canton	10.15	10.15
Cebu	10.15	10.15
Colon	10.15	10.15
Hankow	10.15	10.15
Hong Kong	10.15	10.15
Kobe	10.15	10.15
London	10.15	10.15
Lyons	10.15	10.15
Manila	10.15	10.15
Medan	10.15	10.15
Osaka	10.15	10.15
Shanghai	10.15	10.15
Singapore	10.15	10.15
Sourabaya	10.15	10.15
Tientsin	10.15	10.15
Yokohama	10.15	10.15

HOLIDAY RESORTS

City	Mid-day	Ytd
Alexandria	10.15	10.15
Algiers	10.15	10.15
Amsterdam	10.15	10.15
Antwerp	10.15	10.15
Bahran	10.15	10.15
Bombay	10.15	10.15
Buenos Aires	10.15	10.15
Calcutta	10.15	10.15
Canton	10.15	10.15
Cebu	10.15	10.15
Colon	10.15	10.15
Hankow	10.15	10.15
Hong Kong	10.15	10.15
Kobe	10.15	10.15
London	10.15	10.15
Lyons	10.15	10.15
Manila	10.15	10.15
Medan	10.15	10.15
Osaka	10.15	10.15
Shanghai	10.15	10.15
Singapore	10.15	10.15
Sourabaya	10.15	10.15
Tientsin	10.15	10.15
Yokohama	10.15	10.15



...our competitors are jealous of our figure

Small wonder when you consider this great piece of news! How do we know it's 99.5% up-time? During the first six months of this year our thirty three Key Processing installations logged 25,035 hours of high speed data preparation. During this time a mere 104 hours down-time was recorded. That's 99.5% up-time. How did we achieve it? Firstly, reliability that is the outcome of rigid quality control at our Stanmore works. Secondly, countrywide coverage by our twelve CMC service centres, more than 1000 miles apart, and built with tested proven components and you will know just how we achieved 99.5% up-time. It's great news for every one—especially for CMC customers... Why not join them?

CMC

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